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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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<b>In re</b>	:	<b>Chapter 11 Case No.</b>
	:	
<b>MOTORS LIQUIDATION COMPANY, <i>et al.</i>,</b>	:	<b>09-50026 (REG)</b>
<b>f/k/a General Motors Corp., <i>et al.</i></b>	:	
	:	
<b>Debtors.</b>	:	<b>(Jointly Administered)</b>
	:	
-----X		

**MOTORS LIQUIDATION COMPANY  
GUC TRUST'S REPLY TO GEORGE W. MCCLAIN'S RESPONSES  
TO THE 181<sup>ST</sup> AND 185<sup>TH</sup> OMNIBUS OBJECTIONS  
TO CLAIMS (WELFARE BENEFIT CLAIMS OF RETIRED  
AND FORMER SALARIED AND EXECUTIVE EMPLOYEES)**

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TO THE HONORABLE ROBERT E. GERBER,  
UNITED STATES BANKRUPTCY JUDGE:

The Motors Liquidation Company GUC Trust (the “**GUC Trust**”), formed by the above-captioned debtors (collectively, the “**Debtors**”)<sup>1</sup> in connection with the Debtors’ Second Amended Joint Chapter 11 Plan, dated March 18, 2011 (as may be amended, supplemented, or modified from time to time), files this reply (the “**Reply**”) to the McClain Responses (defined below) interposed to the 181<sup>st</sup> Omnibus Objection to Claims (Welfare Benefits Claims of Retired and Former Salaried and Executive Employees) (ECF No. 8864) (the “**181<sup>st</sup> Omnibus Objection**”) and the 185<sup>th</sup> Omnibus Objection to Claims (Welfare Benefits Claims of Retired and Former Salaried and Executive Employees) (ECF No. 8868) (the “**185<sup>th</sup> Omnibus Objection**,” and together with the 181<sup>st</sup> Omnibus Objection, the “**Omnibus Objections**”), and respectfully represents:

**Preliminary Statement**

1. On January 26, 2011, the Debtors filed Omnibus Objections, which seek the disallowance and expungement of certain compensation and welfare benefits claims of retired and former salaried and executive employees of the Debtors on the basis that such claims (a) are related to unvested welfare benefits that were capable of being modified or terminated by the Debtors at will pursuant to the terms of the operative documents governing such welfare benefits, and were modified or terminated in accordance with such operative documents, and (b) to the extent modified, have otherwise been assumed by New GM<sup>2</sup> pursuant to the terms of the

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<sup>1</sup> The Debtors are Motors Liquidation Company (f/k/a General Motors Corporation) (“**MLC**”), MLCS, LLC (f/k/a Saturn, LLC), MLCS Distribution Corporation (f/k/a Saturn Distribution Corporation), MLC of Harlem, Inc. (f/k/a Chevrolet-Saturn of Harlem, Inc.), Remediation and Liability Management Company, Inc., and Environmental Corporate Remediation Company, Inc.

<sup>2</sup> Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Omnibus Objections.

Master Purchase Agreement and, as described in the Omnibus Objections, are not the responsibility of the Debtors or the GUC Trust and therefore should be disallowed and expunged from the claims register.

2. Responses to Omnibus Objections were due by February 22, 2011. The McClain Responses listed on **Exhibit 1** hereto and described further herein were filed with respect to the Omnibus Objections by George W. McClain relating to his individual claims (the “**Welfare Benefits Claims**,” which include “**Continuing Life Insurance Claims**”).

3. The McClain Responses (as defined herein) are generally not substantive, but are critical of the reduction or termination of welfare benefits provided to retired and former salaried and executive employees of the Debtors. After reviewing the McClain Responses, the GUC Trust<sup>3</sup> respectfully reiterates the Debtors’ position in the Omnibus Objections, and submits that Mr. McClain has failed to provide any legal or factual support for his Welfare Benefits Claims. The McClain Responses allege the same facts provided by, and do not take any position different from, the position taken by another former employee of the Debtors, George Cobble Jr., with respect to the alleged vesting of Mr. Cobble’s Continuing Life Insurance benefit, which was disallowed and expunged by an order of the Court, dated February 8, 2012 (ECF No. 11391).<sup>4</sup>

4. Notwithstanding Mr. McClain’s opposition, the McClain Responses should be overruled because (i) the Debtors had a right to amend or terminate the employee welfare benefit plans (the “**Welfare Benefits Plans**”) providing medical, dental, vision, and life

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<sup>3</sup> While the Omnibus Objections were filed by the Debtors, this Reply is being filed by the GUC Trust because, pursuant to the Plan, the GUC Trust now has the exclusive authority to prosecute and resolve objections to Disputed General Unsecured Claims (as defined in the Plan).

<sup>4</sup> Mr. Cobble filed Proof of Claim No. 64959, which was objected to in the Debtors’ 83<sup>rd</sup> Omnibus Objection to Claims (Welfare Benefits Claims of Retired and Former Salaried and Executive Employees) (ECF No. 6740). Mr. Cobble’s reply to the 83<sup>rd</sup> Omnibus Objection appears at ECF No. 7074. The GUC Trust’s response to Mr. Cobble’s reply is at ECF No. 11283.

insurance benefits (the “**Welfare Benefits**”), including those on which the Welfare Benefits Claims are based, without further liability, and in all relevant instances did so, and (ii) New GM otherwise assumed Welfare Benefits as they existed on the Closing Date and continues to provide Welfare Benefits as modified prior to their assumption by New GM, and consequently the Debtors and the GUC Trust have no liability for the Welfare Benefits Claims (which, as noted above, include the Continuing Life Insurance Claims). Accordingly, the GUC Trust files this Reply in support of the Omnibus Objections and respectfully requests that the Welfare Benefits Claims be disallowed and expunged from the claims register.

5. The Debtors and the GUC Trust are, of course, sympathetic with the impact that the financial problems of the Debtors have had on Mr. McClain’s Welfare Benefits. However, in view of the Debtors’ liquidation and under applicable law, there should be no other outcome.

**The Welfare Benefits Claims Should Be Disallowed and Expunged**

6. Mr. McClain has failed to demonstrate the validity of his Welfare Benefits Claims, and the Welfare Benefits Claims should therefore be disallowed and expunged. *See, e.g., In re Oneida, Ltd.*, 400 B.R. 384, 389 (Bankr. S.D.N.Y. 2009), *aff’d*, No. 09 Civ. 2229 (DC), 2010 WL 234827 (S.D.N.Y. Jan. 22, 2010) (claimant has burden to demonstrate validity of claim when objection is asserted refuting claim’s essential allegations).

**I. The Welfare Benefits Claims Should Be Disallowed As Debtors Had Right to Amend or Terminate Each Welfare Benefit Plan**

7. In the McClain Responses, Mr. McClain has not demonstrated that the Debtors were bound by any legal or contractual requirement to continue to provide him, or other retired and former salaried and executive employees, with the Welfare Benefits on a permanent basis. The Omnibus Objections explain that the Employee Retirement Income Security Act of

1974, as amended (“**ERISA**”), comprehensively regulates employer-provided welfare benefit plans, and that ERISA does not require an employer to provide or to vest welfare benefits. Welfare benefits provided under the terms of a welfare benefit plan may therefore be reduced or forfeited in accordance with the terms of the applicable welfare benefit plan. 29 U.S.C. § 1051(1); *see Moore v. Metro. Life Ins. Co.*, 856 F.2d 488, 491 (2d Cir. 1988); *Sprague v. Gen. Motors Corp.*, 133 F.3d 388, 400 (6<sup>th</sup> Cir. 1998).

8. In addressing claims similar to Mr. McClain’s Welfare Benefits Claims, the U.S. Supreme Court has noted that welfare plans such as the Welfare Benefit Plans are specifically exempted from vesting requirements (to which pension plans are subject) under ERISA, and accordingly, employers “are generally free under ERISA, for any reason at any time, to adopt, modify or terminate welfare plans.” *Curtiss-Wright Corp. v. Schoonejongen*, 514 U.S. 73, 78 (1995) (citing *Adams v. Avondale Indus., Inc.*, 905 F.2d 943, 947 (6th Cir. 1990)). *See also Joyce v. Curtiss Wright Corp.*, 171 F. 3d 130 (2d Cir. 1999) (stating the general rule that under ERISA an employer welfare plan is not vested and that an employer has the right to terminate or unilaterally amend the plan at any time). As noted in the Omnibus Objections, however, the Sixth Circuit has recognized that once welfare benefits are vested, they are rendered forever unalterable. *See also Devlin v. Empire Blue Cross and Blue Shield*, 274 F.3d 76, 82 (2d Cir. 2001) (quoting *Am. Fed’n of Grain Millers, AFL-CIO v. Int’l Multifoods Corp.*, 116 F.3d 976, 980 (2d Cir. 1997) (“If a [plan] document unambiguously indicates whether retiree ... benefits are vested, the unambiguous language should be enforced”).

9. Thus, Mr. McClain bears the burden of showing that the Debtors intended to vest the Welfare Benefits provided by the Welfare Benefits Plans, and did *in fact* vest the

Welfare Benefits, such that Mr. McClain has a contractual right to the perpetual continuation of his Welfare Benefits at a contractually specified level.

10. In the McClain Responses, Mr. McClain has not provided any evidence that contradicts the Debtors' common practice of advising participants of the Welfare Benefits Plans of the Debtors' right to amend or terminate the Welfare Benefits at any time. Moreover, Mr. McClain has not provided any evidence of a separate, affirmative contractual obligation on the part of the Debtors to continue to provide the Welfare Benefits specifically to Mr. McClain. Therefore, the Debtors and the GUC Trust do not have any liability with respect to the reduction in or discontinuation of the Welfare Benefits.

11. The McClain Responses further state opposition to the relief sought in the Omnibus Objections with respect to Continuing Life Insurance Claims, which relate to the Debtors' reduction, as of August 1, 2009, of the maximum amount of basic life insurance benefit ("**Continuing Life Insurance**") to \$10,000 (self-funded by General Motors Corporation (hereafter "**GM**") and subsequently by General Motors Company ("**New GM**")), which would be paid by GM and subsequently New GM to the beneficiaries of eligible deceased retirees to receive such benefit upon their death (*i.e.*, those whose most recent date of hire (or adjusted service date) was prior to January 1, 1993).

12. In the McClain Responses, Mr. McClain opposes the disallowance and expungement of his Continuing Life Insurance Claims on the basis that the Continuing Life Insurance benefits are vested rather than unvested. In support, Mr. McClain cites a one-page letter from the Debtors to Mr. McClain following his retirement from employment with the Debtors (the "**Retiree Servicing Center Letter**"). Each Retiree Servicing Center Letter generally contains the following standard language:



As a retiree of General Motors with 10 or more years of participation in the Life and Disability Benefits Program, you are eligible for Continuing Life Insurance. Our insurance records, as of the date of this letter, show the Continuing Life Insurance has now fully reduced to the ultimate amount of \$[*stated amount*]. This ultimate amount will remain in effect for the rest of your life and is provided by General Motors at no cost to you.

13. In the McClain Responses, Mr. McClain does not provide any explanation for why the Retiree Servicing Center Letter he received should be read as ensuring the vesting of a benefit, rather than a mere acknowledgement by his former employer of the reduction of a lifetime death benefit amount in accordance with the written terms of the applicable life insurance plan then in effect and subject to the plan sponsor's continuing right to change the terms of the life insurance plan.

**(A) Neither the Debtors' Salaried Life Insurance Plan Nor the Retiree Servicing Center Letter Provides Mr. McClain with a Permanent Contractual Right to Continuing Life Insurance Benefits at a Guaranteed Amount**

14. In the McClain Responses, Mr. McClain cites the text of a Retiree Servicing Center Letter from the GM National Retiree Servicing Center ("**Retiree Servicing Center**"). GM self-administered its life insurance benefits until some point in the 1990s, at which time it transferred administration of life insurance benefits to MetLife, a third party administrator. To enable MetLife to be readily identifiable as GM's administrator for life insurance benefits, GM permitted MetLife to use the prior name of their internal benefits administrator, the General Motors National Benefits Center and/or Retiree Servicing Center.

15. The Retiree Servicing Center Letter and letters substantially similar to it were routinely sent out by mail from the Retiree Servicing Center to each retiree of General Motors Corporation entitled to a Continuing Life Insurance benefit (which was a continuation of the retiree's basic life insurance benefit offered to them while they were active employees). The letters were routinely sent out at the time that a scheduled reduction to the retiree's Continuing

Life Insurance benefit had reduced to the maximum amount pursuant to the terms then in effect under the General Motors Life and Disability Benefits Program for Salaried Employees, as amended from time to time (“**Debtors’ Salaried Life Insurance Plan**”).

16. As explained above with respect to the Debtors’ right to amend or terminate other Welfare Benefits, ERISA does not require an employer to provide or to vest life insurance benefits. Insurance benefits provided under the terms of a welfare benefit plan may therefore be reduced or forfeited in accordance with the terms of the applicable welfare benefits plan. 29 U.S.C. § 1051(1); *see Moore v. Metro. Life Ins. Co.*, 856 F.2d 488, 491 (2d Cir. 1988).

17. ERISA provides that the contractual rights established under a welfare benefits plan must be in writing and contained in the plan document for the welfare benefits plan, and furthermore, requires that a welfare benefits plan sponsor provide a summary plan description (and as necessary, summaries of material modifications) of the plan and the terms of benefits provided under the plan to participants of the plan; however, the summary plan description does not establish any contractual rights not provided by the plan document. *Cigna Corp. v. Amara*, 000 U.S. 09-804 (2011) (holding that a summary plan description has no contractual authority because it does not constitute a part of the plan document; however, plan participants may seek appropriate equitable relief in the case of a false or misleading summary plan description). Communications from the plan sponsor to plan participants, such as the Retiree Servicing Center Letter received by Mr. McClain, are neither summary plan descriptions nor summaries of material modifications. Even so, by the reasoning of *Amara*, the Retiree Servicing Center Letter does not supersede the terms of the Debtors’ Salaried Life Insurance Plan, which provided the Debtors the right to amend, modify or terminate the Continuing Life Insurance benefits at any time.

18. The Debtors clearly and unambiguously reserved their right to amend or terminate the Continuing Life Insurance benefit under the terms of the plan documents and the summary plan descriptions of the Debtors' Salaried Life Insurance Plan provided and made available to Mr. McClain during his employment period, and therefore, neither the Retiree Servicing Center Letter received by Mr. McClain nor the plan documents create any vested contractual rights to the Continuing Life Insurance benefits. Section 3.05 of the most recent restatement of the Debtors' Salaried Life Insurance Plan, as amended effective January 1, 2007, provides:

The Corporation reserves the right to amend, modify, suspend or terminate the Program in whole or in part, at any time by action of its Board of Directors or other committee or individual expressly authorized by the Board to take such action. The benefits available to Employees are determined solely by the terms of this Program. Absent express delegation of authority from the Board of Directors, no one has the authority to commit the Corporation to any benefit or benefit provisions not provided under the terms of this Program.

Because ERISA does not require the vesting of welfare benefits, such provision reserved the Debtors' right to modify Continuing Life Insurance benefits by amendment of Debtor's Salaried Life Insurance Plan. Moreover, the Debtors could terminate the plan. Clearly, no vested rights were created under the plan. The following reservation of rights to amend or terminate benefits is prominently stated on the second page of a recent benefits handbook for salaried retirees containing the summary plan description of Debtors' Salaried Life Insurance Plan:

General Motors Corporation reserves the right to amend, change, or terminate the Plans and Programs described in this booklet. The Plans and Programs can be amended only in writing by an appropriate committee or individual as expressly authorized by the Board of Directors. No other oral or written statements can change the terms of a benefit Plan or Program.

The same or substantially similar reservation of rights language is prominently stated on the second page of benefits handbooks for salaried retirees issued by the Debtors in 1996, 2000, and 2005. Mr. McClain was therefore clearly on notice of this reservation of rights, as he will have seen it prominently displayed in the benefits handbooks for salaried retirees that they received along with every other retiree with such benefits.

19. On the basis of such language, the Sixth Circuit in *Sprague* reviewed the plan documents and summary plan descriptions of certain of the Debtors' salaried welfare benefits plans, as contained in benefits handbooks regularly provided by Debtors to their employees and retirees, and concluded that the Debtors' salaried welfare benefits plans explicitly permitted the Debtors to unilaterally amend, terminate or modify the salaried welfare benefits provided under such plans. The Sixth Circuit's opinion in *Sprague* contains the following description of the Debtors' reservation of rights to change or terminate health care benefits at any time, which reservation would have equally pertained to the right to change or terminate life insurance benefits, the summary plan description of which was contained in the same booklet as contained the summary plan description of the health plan:

GM has long made it a practice to inform its salaried employees and retirees of their health care coverage by providing them booklets containing summaries of the company's health insurance policies and programs. Prior to 1974 GM put out a booklet entitled "The GM Insurance Program for Salaried Employees." After ERISA took effect in 1974 the booklet became "Highlights of Your GM Benefits." Beginning in 1977, GM also issued a booklet called "Your Benefits in Retirement." Each of these publications

went through a series of different editions [...] and most of the booklets also put plan participants on notice of GM's right to change or terminate the health care plan at any time:

“General Motors believes wholeheartedly in this Insurance Program for GM men and women, and expects to continue the Program indefinitely. However, GM reserves the right to modify, revoke, suspend, terminate, or change the Program, in whole or in part, at any time....” The General Motors Insurance Program for Salaried Employees (1965, 1968, and 1971).

“General Motors Corporation reserves the right to amend, change or terminate the Plans and Programs described in this booklet.” Your GM Benefits (1985).

“The Corporation reserves the right to amend, modify, suspend, or terminate its benefit Plans or Programs by action of its Board of Directors.” Your Benefits in Retirement (1985).

*Sprague v. Gen. Motors Corp.*, 133 F.3d 388 (6<sup>th</sup> Cir. 1998) at 400.<sup>5</sup>

20. As evidenced by the description set forth in *Sprague* and as confirmed by the Debtors, GM had a long-term practice of providing explicit notice to participants of their reservation of rights to amend or terminate salaried welfare benefits at any time through the issuance of benefits handbooks to both active and retired employees on a regular basis spanning over a period of 47 years or more (*i.e.*, since at least 1965). This means that Mr. McClain would have been on notice from the start of and through the end of his career with General Motors Corporation that his employer had reserved its rights to amend or terminate his basic life insurance benefit and/or their Continuing Life Insurance benefit.

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<sup>5</sup> The Sixth Circuit found: “Most of the summary plan descriptions unambiguously reserved GM’s right to amend or terminate the plan. For example: ‘General Motors Corporation reserves the right to amend, change or terminate the Plans and Programs described in this booklet.’ Your GM Benefits (1984) [and] ‘The Corporation reserves the right to amend, modify, suspend or terminate the Program in whole or in part, at any time, by action of its Board of Directors.’ Your Benefits in Retirement (1985).” 133 F.3d at 400.

21. The Second Circuit has held that an employer's reservation of rights to amend or to terminate insurance benefits was sufficient to preclude such insurance benefits from being susceptible to being interpreted as promises of vested lifetime insurance benefits:

Here ... we have [SPD or Summary Plan Description] language that both appears to promise lifetime life insurance coverage at a particular level and clearly reserves Empire's right to amend or terminate such coverage. Because the same document that potentially provided the 'lifetime' benefits also clearly informed employees that these benefits were subject to modification, we conclude that the language contained in the 1987 SPD is not susceptible to an interpretation that promises vested lifetime life insurance benefits.

The Sixth Circuit has similarly concluded, where a group of General Motors retirees challenged a reduction in health coverage, that the relevant SPD provided that lifetime health coverage would be provided at no cost. *See Sprague v. Gen. Motors Corp.*, 133 F.3d 388, 401 (6th Cir. 1998) (*en banc*). The same SPD also provided that 'General Motors Corporation reserves the right to amend, change or terminate the Plans and Programs described in this booklet.' *Id.* The Sixth Circuit reasoned:

"We see no ambiguity in a summary plan description that tells participants both that the terms of the current plan entitle them to health insurance at no cost throughout retirement and that the terms of the current plan are subject to change.... As the Third Circuit explained in a similar case, 'the promise made to retirees was a qualified one: the

promise was that retiree medical benefits were for life provided the company chose not to terminate the plans, pursuant to clauses that preserved the company's right to terminate the plan under which those benefits are provided.' *Id.* (quoting *In re Unisys Corp. Retiree Med. Benefit ERISA Litig.*, 58 F.3d 896, 904 n.12 (3d Cir. 1995))." *Abbruscato v. Empire Blue Cross and Blue Shield*, 274 F. 3d 90, 99-100 (2nd Cir. 2001)

22. Each summary plan description of the Debtors' Salaried Life Insurance

Plan contained in the employee handbooks issued over the years has contained a description of the Continuing Life Insurance benefits and an explanation of the manner in which the Continuing Life Insurance benefits were to be reduced upon or during the retirement of a retiree. Pursuant to the terms of the Debtors' Salaried Life Insurance Plan, the Continuing Life Insurance benefit was, upon retirement or age 65, subject to reduction in the case of all of the Debtors' retirees eligible for such benefit depending on when the retiree retired. In addition to notice provided by the summary plan descriptions, the Debtors were in the practice of notifying retirees of such reductions, at the point of the ultimate reduction, in the form of the Retiree Servicing Center Letters.

23. In connection with their insolvency, following approval by the Employee

Benefits Plans Committee of Debtor's Board of Directors, the Debtors reduced to \$10,000 the maximum amount of the Continuing Life Insurance benefit that would be paid by the Debtors (and subsequently by New GM) to the beneficiaries of a retiree eligible to receive such benefit upon death (*i.e.*, those whose most recent date of hire (or adjusted service date) was prior to January 1, 1993). The reduction was effected by amendment of the Salaried Life Insurance Plan made by the Employee Benefits Plans Committee of Debtor's Board of Directors on June 19, 2009, who had been expressly delegated by the Board of Directors the authority to amend the Debtors' welfare benefit plans.

24. Pursuant to the terms of the Debtors' Salaried Life Insurance Plan, upon attaining age 65, retirees were no longer required to make contributions to maintain their Continuing Life Insurance benefits. Reduction of the maximum amount of the Continuing Life Insurance benefits has not changed this fact.

25. Upon reduction of the Continuing Life Insurance benefit in connection with their insolvency, the Debtors provided retirees with the opportunity to supplement the reduced amount of their Continuing Life Insurance benefits by enrolling in a voluntary life insurance program through MetLife. By virtue of the supplemental program, Mr. McClain was fully eligible, at his cost, to continue to be covered by the life insurance benefit at the same level as prior to the reduction in his Continuing Life Insurance benefits.

**(B) The Retiree Servicing Center Letter Does Not Create A New Contract With Mr. McClain**

26. In the McClain Responses, Mr. McClain has not provided any evidence that contradicts the Debtors' common practice of advising participants of the Debtors' Salaried Life Insurance Plan of the Debtors' right to amend or terminate the Continuing Life Insurance benefits at any time. Moreover, Mr. McClain has not provided any evidence of an affirmative contractual obligation on the part of the Debtors separate from the terms of Debtors' Salaried Life Insurance Plan to permanently provide the same level of Continuing Life Insurance benefits specifically to Mr. McClain. The Retiree Servicing Center Letter refers to and explains a "Continuing Life Insurance" benefit, which appearing as a capitalized term explicitly relates to, and is one and the same with, the basic life insurance benefit provided to Debtors' retirees pursuant to Debtors' Salaried Life Insurance Plan. Mr. McClain should readily have recognized "Continuing Life Insurance" as a defined term of the Debtors' Salaried Life Insurance Plan, of which he would have been familiar by having read, over the past 47 years or more, employee



benefits handbooks and summary plan descriptions related to the Continuing Life Insurance. Moreover, the Retiree Servicing Center Letter received by Mr. McClain directly refers to the applicability of Debtors' Salaried Life Insurance Plan in prefacing eligibility for such Continuing Life Insurance benefit (which had been reduced) on Mr. McClain status as a "a retiree of General Motors with 10 or more years of participation in the Life and Disability Benefits Program." Therefore, the Retiree Servicing Center Letter clearly indicated that the Continuing Life Insurance benefits were fully subject to the terms of the Debtors' Salaried Life Insurance Plan and, as such, could not have been subject only to the terms set forth on the single page of the Retiree Servicing Center Letter. The Retiree Servicing Center Letter could therefore not serve to have vested Mr. McClain in any new life insurance obligations on the part of the Debtors.

27. The Retiree Servicing Center Letter was not approved by the Board of Directors of GM at any time. It was not an authorized amendment of the Debtors' Salaried Life Insurance Plan or modifications of the Continuing Life Insurance benefits. The Retiree Servicing Center Letter sent to Mr. McClain was merely a communication with Mr. McClain with respect to a change in the benefit amounts of his Continuing Life Insurance pursuant to the terms of Debtors' Salaried Life Insurance Plan.

28. The Retiree Servicing Center Letter was sent to Mr. McClain after his retirement, during a period which he was no longer providing services to the Debtors, and therefore cannot reasonably be construed as an inducement for Mr. McClain to provide new services to the Debtors, or to retire. Indeed, Mr. McClain never used the provision of permanent, unalterable welfare benefits as a form of consideration inducing retirement. Rather, even for employees who elected to participate in early retirement window programs (consideration for which was typically in cash), retiree medical, life insurance and all other welfare benefits would

have been the same following retirement as for regular retirees. Given such treatment, there would be no reason to provide any separate communication to window program participants with respect to their welfare benefits, such as a letter promising permanent lifetime benefits.

29. The Retiree Servicing Center Letter does not contain any language establishing it as a new contract between Mr. McClain and his former employer. To establish the Retiree Servicing Center Letter as such, under the standard of the Second Circuit, Mr. McClain “must first identify ‘specific written language that is reasonably susceptible to interpretation as a promise.’” *Devlin v. Empire Blue Cross and Blue Shield*, 274 F.3d 76, 103 (2nd Cir. 2001) (quoting *Joyce*, 171 F.3d at 134).

30. The Second Circuit in *Devlin* discussed an example of language offering a benefit that could have been susceptible to induce employees to perform without having been negated by the employer’s reservation of its right to amend or terminate the benefit (which Empire’s pre-1987 summary plan description had not done) and that is reasonably susceptible to interpretation as a promise:

Plaintiffs direct our attention to two sentences within the pre-1987 [summary plan description]s. The first provides that ‘retired employees, after completion of twenty years of full-time permanent service and at least age 55 will be insured.’ J.A. at 522 (emphasis added). We believe that this statement can be reasonably read as promising such insurance so long as employees retire after age 55 and have provided full-time permanent service to Empire for at least twenty years. This provision can be construed as an offer that specifies performance as the means of acceptance -- sometimes referred to as an offer for a unilateral contract -- and promises lifetime life insurance benefits upon performance. Therefore, by ‘performing’ (that is, working for at least twenty years until attaining the age of 55), the plaintiffs accepted this offer. Restatement (Second) of Contracts 45(1) (1981). Where the offeror did not explicitly reserve the power to revoke, such an offer cannot be revoked once the offeree has begun to perform. See *id.* 45 & cmt. d (‘The beginning of performance . . . completes the manifestation of mutual assent and furnishes

consideration.’). Therefore, Empire's reliance on its 1987 [summary plan description], ‘Your Handbook,’ for its reservation of the right to modify the life insurance benefits is unavailing. We reject Empire's argument because after the plaintiffs began performance, pursuant to the pre-1987 [summary plan description]s, Empire was not free to revoke. *Id.* at 84.

Contrary to the facts with respect to Empire’s failure to reserve its right in pre-1987 summary plan descriptions to amend or terminate the life insurance benefit, the Debtors have had a long-term practice over at least the past 47 years, and most likely for an even longer period of time, to provide explicit notice in each of their summary plan descriptions of their right to amend or terminate life insurance benefits at any time. Moreover, by the time that Mr. McClain had received the Retiree Servicing Center Letter in question, he had retired and could no longer be induced to perform any services for the Debtors, nor be induced to retire a second time, and so, the contents of the applicable Retiree Servicing Center Letter could not have been susceptible to interpretation as a promise.

31. Though Mr. McClain has not made any such argument or suggestion, it cannot be said that Mr. McClain relied on the qualified statement made in the Retiree Servicing Center Letter to his detriment. In order to prevail on a claim of promissory estoppel under ERISA in the Second Circuit, Mr. McClain must establish: “(1) a promise, (2) reliance on the promise, (3) injury caused by the reliance, and (4) an injustice if the promise is not enforced.” *Aramony v. United Way Replacement Benefit Plan*, 191 F.3d 140, 151 (2d Cir. 1999) (quoting *Schonholz v. Long Island Jewish Med. Ctr.*, 87 F.3d 72, 79 (2d Cir. 1996). Additionally, “an ERISA plaintiff must ‘adduce[...] not only facts sufficient to support the four basic elements of promissory estoppel, but facts sufficient to [satisfy an] ‘extraordinary circumstances’ requirement as well.’” *Aramony*, 191 F.3d at 151 (quoting *Devlin v. Transp. Comms. Int’l Union*, 173 F.3d 94, 102 (2d Cir. 1999)). The Second Circuit in *Devlin* cited that “*Schonholz*

provides an example of such extraordinary circumstances, where the employer used promised severance benefits to induce the plaintiff to retire.” *Devlin*, 274 F.3d at 86 (quoting *Schonholz*, 87 F.3d at 79-80).

32. With respect to the Continuing Life Insurance Claims, there was no promise to provide permanent basic life insurance benefits at the same level where the Debtors had provided explicit notice to Mr. McClain over the past 47 years or more, that they could amend or terminate the basic life insurance benefits at any time (*i.e.*, in a manner discussed by *Abbruscato*, *supra*). Because there was no promise of a permanent benefit, there could be no reliance on such promise. It has been demonstrated that the Retiree Servicing Center Letter itself did not create a separate obligation on the Debtors to provide a benefit separate from benefits offered under Debtors’ Salaried Life Insurance Plan, and as such, the Retiree Servicing Center Letter in and of itself could not have created a promise nor could it have been susceptible to interpretation as a promise.

33. Nor were there any facts that may separately support the existence of extraordinary circumstances in the case of either the Retiree Servicing Center Letter or the reduction in 2009 of the Continuing Life Insurance. Basic life insurance is a benefit that is commonly provided by employers on an unvested basis, and is accordingly assumed by most employees and retirees to be a benefit that could be lost at any time, absent an extraordinary circumstance, such as a separate, express contractual commitment. With respect to the Continuing Life Insurance Claims, Mr. McClain has not suggested any extraordinary circumstances with respect to his right to Continuing Life Insurance, such as receiving it as an inducement to enter into employment or to retire early. No such extraordinary circumstance could exist where the Debtors have clearly and unambiguously represented to their employees

and retirees over the past 47 years or more of their right to amend or terminate life insurance benefits at any time. Moreover, at the time that Mr. McClain received the Retiree Servicing Center Letter and at the time that the Debtors provided notice in June 2009 to Mr. McClain of the reduction in their Continuing Life Insurance benefits, Mr. McClain had already retired and could therefore neither have been induced to perform (*i.e.*, in a manner discussed by *Devlin*, *supra*) or otherwise made to rely in any manner constituting an extraordinary circumstance.

## **II. Ongoing Benefits Have Been Assumed by New GM**

34. On the Closing Date, New GM completed its purchase of certain assets in accordance with the Master Purchase Agreement. Pursuant to Section 6.17(e) of the Master Purchase Agreement (*Assumption of Certain Parent Employee Benefit Plans and Policies*), New GM assumed the plans specified in a disclosure schedule, and the Welfare Benefit Plans (including Debtors' Salaried Life Insurance Plan) are set forth on that schedule. New GM assumed the obligation to provide the Welfare Benefits to the extent required to be provided under the terms of the applicable Welfare Benefits Plan in effect on the Closing Date, including both responsibility for all claims incurred prior to the Closing Date and all future claims properly payable pursuant to the terms of the applicable Welfare Benefit Plan in effect when such claims are incurred. Therefore, the Debtors and the GUC Trust do not have any liability with respect to Welfare Benefits (including the Continuing Life Insurance benefits) that have been assumed by New GM, and Mr. McClain has not provided any credible factual or legal basis to suggest otherwise.

### **The McClain Responses**

#### **Claim Nos. 9513 and 21851**

35. On February 14, 2011, responses were filed on behalf of Mr. McClain to the 181<sup>st</sup> Omnibus Objection at ECF No. 9240 (the "**First McClain Response**") and the 185th

Omnibus Objection at ECF No. 9241 (the “**Second McClain Response**,” and together with the First McClain Response, the “**McClain Responses**”). In the First McClain Response, Mr. McClain opposes the disallowance and expungement of Claim No. 9513 on the basis that such a course of action contradicts the way in which welfare benefits were presented to Mr. McClain by General Motors Corporation when granted (*See* Proof of Claim No. 9513 at **Exhibit 2** hereto, First McClain Response at **Exhibit 3** hereto, Proof of Claim No. 21851 at **Exhibit 4** hereto and Second McClain Response at **Exhibit 5** hereto).

36. To support his Welfare Benefits Claim, Mr. McClain included a copy of a 2008 annual enrollment summary, a document entitled “Statements of Acceptance of Mutually Satisfactory Retirement” (the “**Retirement Statement**”), and a booklet entitled “Your Benefits in Retirement: For General Motors Salaried Retirees and Eligible Survivors.” The Retirement Statement contains a summary of Mr. McClain’s benefits as of 1984 that explicitly states that the Retirement Statement provides only “general information” and that “[e]ach of the Plans listed has its own terms and conditions” (*See* “Statements of Acceptance of Mutually Satisfactory Retirement,” at Ex. 2, p. 2). Likewise, the text of the “Your Benefits in Retirement” booklet provided by Mr. McClain clearly states that the benefits “are subject to change in the future.” (*See* “Your Benefits in Retirement,” at Ex. 2, p. 12).

37. Mr. McClain does not provide any explanation for why the annual enrollment summary, Retirement Statement, or booklet should be read as ensuring the vesting of a benefit, rather than a mere overview from his former employer of various benefits to be administered in accordance with the written terms of the applicable life insurance plan then in effect and subject to the plan sponsor’s continuing right to change the terms of the life insurance plan, as discussed in more detail above.

38. No additional documentation is provided in Proof of Claim No. 9513, the First McClain Response, Proof of Claim No. 21851, or the Second McClain Response to support Mr. McClain's assertions. Further, the GUC Trust is not aware of any documentation or facts supporting the Welfare Benefit Claims.

39. For the reasons set out above, the GUC Trust respectfully submits that the McClain Responses should be overruled, and the Welfare Benefit Claims should be disallowed and expunged.

### **Conclusion**

40. Because (i) ERISA recognizes that employers are free to amend or terminate welfare benefits, (ii) the Debtors had explicitly reserved their right to amend, modify or terminate the Welfare Benefits (including Continuing Life Insurance benefits) at any time, (iii) the Retiree Servicing Center Letter submitted by Mr. McClain does not establish any contractual rights to vested Continuing Life Insurance benefits, and (iv) Mr. McClain has not provided evidence of any permanent contractual right to vested Welfare Benefits (including Continuing Life Insurance benefits); the Debtors and the GUC Trust have no liability for the Welfare Benefits Claims (including Continuing Life Insurance Claims). The GUC Trust reiterates that the McClain Responses have not provided any legal or factual support for the Welfare Benefits Claims and the Continuing Life Insurance Claims, which cannot be afforded prima facie validity under the Bankruptcy Code. Accordingly, the Welfare Benefits Claims and the Continuing Life Insurance Claims should be disallowed and expunged in their entirety.

WHEREFORE, for the reasons set forth above and in the Omnibus Objections,  
the GUC Trust respectfully requests that the Court grant the relief requested in the Omnibus  
Objections and such other and further relief as is just.

Dated: New York, New York  
June 5, 2012

/s/ Joseph H. Smolinsky  
Harvey R. Miller  
Stephen Karotkin  
Joseph H. Smolinsky  
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New York, New York 10153  
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Facsimile: (212) 310-8007  
  
Attorneys for Motors Liquidation  
Company GUC Trust



**Exhibit 1**

<b>181<sup>st</sup> and 185<sup>th</sup> Omnibus Objections to Claims (Welfare Benefits Claims of Retired and Former Salaried and Executive Employees)</b>				
<b>Proof of Claim No.</b>	<b>Response Docket No.</b>	<b>Name</b>	<b>Total Claimed</b>	<b>Summary</b>
9513	9240	McClain, George W.	\$204,750.00 (U)	Mr. McClain's response asserts that, at the time of his retirement, no plan documents contained a "Reservation of Rights" clause. Mr. McClain's response further notes that he received a letter from the Metropolitan Life Insurance Company in December 1987, and June 1989, writing on behalf of General Motors, that his basic life insurance had been "fully reduced" and "will remain in effect for the rest of your life.
21851	9241	McClain, George W.	\$43,097.00 (U)	Mr. McClain alleges that the 185th Omnibus Objection should be rejected because the instructions for submission of replies request the use of a 3.5 inch disc and cite to General Order M-242.

**Exhibit 2**

03561123

APSO688085118



UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK		PROOF OF CLAIM
<p><b>Name of Debtor (Check Only One)</b></p> <p><input checked="" type="checkbox"/> Motors Liquidation Company (f/k/a General Motors Corporation)</p> <p><input type="checkbox"/> MLCS, LLC (f/k/a Saturn, LLC)</p> <p><input type="checkbox"/> MLCS Distribution Corporation (f/k/a Saturn Distribution Corporation)</p> <p><input type="checkbox"/> MLC of Harlem, Inc (f/k/a Chevrolet-Saturn of Harlem, Inc)</p>	<p><b>Case No</b></p> <p>09-50026 (REG)</p> <p>09-50027 (REG)</p> <p>09-50028 (REG)</p> <p>09-13558 (REG)</p>	<p><b>Your Claim is Scheduled As Follows.</b></p> <div style="text-align: center; border: 1px solid black; border-radius: 50%; width: 100px; height: 100px; margin: 10px auto;"> <p>THE GARDEN CITY GROUP INC</p> <p>OCT 13 2009</p> </div> <p><small>If an amount is identified above, you have a claim scheduled by one of the Debtors as shown. (This scheduled amount of your claim may be an amendment to a previously scheduled amount.) If you agree with the amount and priority of your claim as scheduled by the Debtor and you have no other claim against the Debtor, you do not need to file this proof of claim form. <b>EXCEPT AS FOLLOWS</b> If the amount shown is listed as DISPUTED, UNLIQUIDATED, or CONTINGENT, a proof of claim MUST be filed in order to receive any distribution in respect of your claim. If you have already filed a proof of claim in accordance with the attached instructions, you need not file again.</small></p>
<p><small>NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case, but may be used for purposes of asserting a claim under 11 U.S.C. § 503(b)(9) (see Item # 5). All other requests for payment of an administrative expense should be filed pursuant to 11 U.S.C. § 503.</small></p>		
<p><b>Name of Creditor (the person or other entity to whom the debtor owes money or property)</b> GEORGE W MCCLAIN</p>	<p><input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim</p> <p><b>Court Claim Number</b> _____ (If known)</p> <p><b>Filed on</b> _____</p>	
<p><b>Name and address where notices should be sent</b></p> <p>GEORGE W MCCLAIN 3022 IMPERIAL VALLEY DRIVE LITTLE ROCK, AR 72212-3108</p>	<p><input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars</p> <p><input type="checkbox"/> Check this box if you are the debtor or trustee in this case</p>	
<p><b>Name and address where payment should be sent (if different from above)</b></p> <p style="text-align: center;"><b>FILED - 09513</b> <b>MOTORS LIQUIDATION COMPANY</b> <b>F/K/A GENERAL MOTORS CORP</b> <b>SDNY # 09-50026 (REG)</b></p>		<p><b>5 Amount of Claim Entitled to Priority under 11 U.S.C. § 507(a)</b> If any portion of your claim falls in one of the following categories, check the box and state the amount</p> <p>Specify the priority of the claim</p> <p><input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B)</p> <p><input type="checkbox"/> Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4)</p> <p><input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5)</p> <p><input type="checkbox"/> Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7)</p> <p><input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8)</p> <p><input type="checkbox"/> Value of goods received by the Debtor within 20 days before the date of commencement of the case - 11 U.S.C. § 503(b)(9) (§ 507(a)(2))</p> <p><input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a)( )</p> <p style="text-align: right;">Amount entitled to priority</p> <p style="text-align: right;">\$ _____</p> <p><small>*Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment</small></p>
<p><b>1 Amount of Claim as of Date Case Filed, June 1, 2009</b> \$ 204,750.00</p> <p><small>If all or part of your claim is secured, complete item 4 below, however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. If all or part of your claim is asserted pursuant to 11 U.S.C. § 503(b)(9), complete item 5.</small></p> <p><input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges</p>		
<p><b>2 Basis for Claim</b> See attached explanation and copies of documents for item #7</p> <p><small>(See instruction #2 on reverse side)</small></p>		
<p><b>3 Last four digits of any number by which creditor identifies debtor:</b> _____</p> <p><b>3a Debtor may have scheduled account as:</b> _____</p> <p><small>(See instruction #3a on reverse side)</small></p>		
<p><b>4 Secured Claim</b> (See instruction #4 on reverse side)</p> <p>Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information</p> <p><b>Nature of property or right of setoff</b> <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Equipment <input type="checkbox"/> Other</p> <p><b>Describe</b></p> <p><b>Value of Property, \$</b> _____ <b>Annual Interest Rate</b> %</p> <p><b>Amount of arrearage and other charges as of time case filed included in secured claim, if any \$</b> _____</p> <p><b>Basis for perfection</b> _____</p> <p><b>Amount of Secured Claim, \$</b> _____ <b>Amount Unsecured \$</b> _____</p>		
<p><b>6 Credits</b> The amount of all payments on this claim has been credited for the purpose of making this proof of claim</p> <p><b>7 Documents</b> Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements or running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 7 and definition of "redacted" on reverse side)</p> <p>DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING</p> <p>If the documents are not available, please explain in an attachment</p>		
<p><b>Date</b></p>	<p><b>Signature</b> The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.</p> <p style="text-align: center;"><i>George W. McClain</i> George W. McClain</p>	
<p style="text-align: right;"><b>FOR COURT USE ONLY</b></p>		

Item No. 2 Basis for Claim

I retired July 1, 1984 after 42 years as a salaried employe of General Motors under a written offer and acceptance retirement contract. Part of the offer made by General Motors was \$64,750 in basic life insurance and \$150,000 in supplemental life insurance for a total of \$214,750.00. General Motors has notified me that was reduced to only \$10,000 as a result of the bankruptcy. Thus my claim for \$204,750.00.

See attachments "A", "B", "C" and "D".

- "A" The offer and acceptance letters and papers I received when retiring in 1984. Note the "Your Benefits in Retirement" booklet does not contain a "Reservation of Rights Clause".
- "B" The two letters I received from Metropolitan Life that state "fully" and "ultimate" in referring to the reduced amount of the basic life insurance.
- "C" A December 1976 letter from Tom Murphy then Chairman of General Motors which clearly states that the \$150,000 in supplemental life insurance has a provision that "there will be no reduction after age 65".
- "D" Correspondence and E-mail from General Motors confirming the reduction in both basic and supplemental life insurance.

**MOTORS INSURANCE CORPORATION**  
**CIM INSURANCE CORPORATION**

**INTER-ORGANIZATION LETTERS ONLY**

TO Mr. G. W. McClain ADDRESS Little Rock

FROM V. K. Quinn ADDRESS Executive Office

SUBJECT Little Rock Restructuring DATE February 10, 1984

PERSONAL & CONFIDENTIAL

Further to your discussion and agreements reached with Al Clark, attached are Statements of Acceptance of Mutually Satisfactory Retirement which need to be completed in order to proceed with the applicable details.

Please enter the July 1, 1984 effective date, your signature, and date on two copies of the form and return them to my personal attention.

*V. K. Quinn*  
Vice President

cc: Mr. A. C. Clark

*Brief*  
*Please give me a call when you have a minute. Regards.*  
*V. K.*

The following presents general information relative to Benefit Plans coverages subsequent to retirement. Each of the Plans listed has its own terms and conditions which in all respects control the eligibility for continued participation.

GROUP INSURANCE

Basic Life	Continued at Corporation expense for life	Reduces beginning at age 65
Extra Accident	Continued at Corporation expense thru age 65	
Survivor Income Benefits	Continued at Corporation expense thru age 65	
Sickness and Accident Benefits	Coverage ceases at retirement	
Optional Group Life	May be continued at employee cost thru age 70	Reduces beginning at age 66.
Dependent Group Life	May be continued at employee cost in conjunction with continuance of Optional Group Life	

PERSONAL ACCIDENT INSURANCE

May be continued at employee cost.	Maximum of \$50,000 may be continued beyond age 70
------------------------------------	--

HOSPITAL-SURGICAL-MEDICAL and PRESCRIPTION DRUG

Continued for life at Corporation Expense	Extended to Surviving Spouse for life at Corp expense.
---	--

DENTAL PLAN

Continued for life at Corporation Expense.	Extended to Surviving Spouse for life at Corp. expense.
--	---

CMEIP

6

Continued for life - employee pays (\$4.00 single, \$10.85-two party, \$14.25-family)	Extended to Surviving Spouse for life - spouse pays applicable rates
---	--

VISION CARE

Continue for life at Corporation Expenses.	Extended to Surviving Spouse for life at Corporation Expenses
--	---

SSPP

Fully earned at retirement	Lump sum settlement may be deferred until January following the year of retirement.
----------------------------	---

VACATION

Full vacation entitlement is earned at the end of the year preceding the year of retirement. This does not apply to retirements effective January 1 since employment in such cases terminates effectively at the end of the last working day in December. Since vacation entitlement must be taken as time off, the effective date of retirement should be scheduled accordingly. A vacation allowance in lieu of time off cannot be paid.

DISCOUNT PRIVILEGES

Those privileges in effect for the employee while active, will be extended into retirement. Extended to Surviving Spouse until he or she remarries.

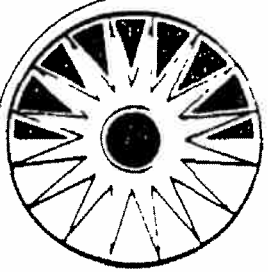


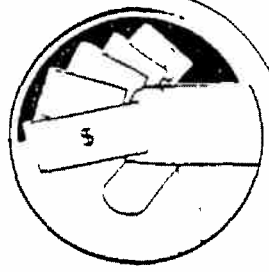

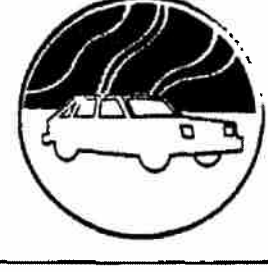

Complete Details regarding Benefit Plan Continuation Privileges are contained in the enclosed booklet, "Your Benefits In Retirement"

STATEMENT OF ACCEPTANCE OF MUTUALLY SATISFACTORY RETIREMENT

As a result of discussions between Management and myself concerning the possibility of retiring under the Mutually Satisfactory Retirement provisions of the General Motors Retirement Program for Salaried Employees, I have evaluated the benefits applicable to me under the provisions of the Program and am agreeable to retirement on a Mutually Satisfactory basis effective July 1, 1984.

I understand that implementation of this retirement is subject to the necessary approvals.

Signed *George H. McBlair*  
Date 7-11-84

			
	<h1>YOUR BENEFITS IN RETIREMENT</h1> <p>For General Motors Salaried Retirees and Eligible Survivors</p>		
			
			



**As a General Motors salaried retiree eligible to receive benefits under the GM Retirement Program for Salaried Employees, you have one of the finest, most comprehensive retiree benefit programs in industry. This booklet is designed to answer your questions concerning the ways in which your GM benefits can help you and your dependents. *It should be kept available as a reference source to answer your questions.* The booklet also discusses Social Security benefits in general terms. The information in this booklet will help you to understand the protection available to you as a GM retiree and to your eligible survivors.**

Information in this booklet applies to General Motors salaried retirees and their eligible dependents. This booklet does not apply to individuals who terminated their employment with General Motors prior to being eligible to retire but who may be eligible to receive a deferred vested retirement benefit.

Some, but not all, of the information in this booklet also applies to eligible surviving spouses of deceased employees or retirees. Information applicable to eligible surviving spouses is so noted in the text of the booklet.

After reading this booklet you may have a specific question which is not answered. If so, you may wish to contact the salaried personnel department at the GM location where you or your deceased spouse last worked.

Each of the benefit plans has its own terms and conditions which in all respects control the eligibility and payment of benefits mentioned. The payment of benefits is conditioned, of course, upon your eligibility to receive them.

From time to time you may receive information concerning changes in your benefits. You may wish to keep the information you receive with this booklet so that you always will have up-to-date information concerning your benefits readily available.

## How To Find The Information You Want



**Your Retirement Income ..... 3**



**Your Health Care Benefits ..... 12**



**In The Event Of Death ..... 23**



**If You Are Disabled ..... 31**



**Information Related To The  
Employee Retirement Income  
Security Act Of 1974 (ERISA) ..... 35**

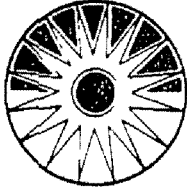


**Before You Purchase A New GM Vehicle . 39**



**A Check List Of Important Items  
To Remember ..... 41**

**If you have a specific question about your retirement, health or life insurance benefits, you may wish to contact the salaried personnel department at the GM location where you or your deceased spouse last worked. For your convenience, the correct address is shown on the stub of your monthly retirement check.**



## Your Retirement Income

Any retirement benefits you may be eligible to receive as a General Motors retired employee or surviving spouse are based on the provisions of the Salaried Retirement Program in effect when you or your deceased spouse retired. However, the benefit amounts have been increased from time to time depending on the date you or your deceased spouse retired.

Your GM Retirement Program is made up of two parts — Part A and Part B.

Any Part A benefits which you may be receiving are non-contributory. The entire cost of providing these benefits is paid for by General Motors. The benefits provided under Part A of the Program are comparable to those provided under the hourly-rate employees' pension plan.

Any Part B benefits which you may be receiving are in addition to any Part A benefits which you may be receiving. To be eligible for Part B benefits you must have contributed while eligible and left your contributions in the Program until retirement. Part B consists of two components — primary benefits, which are based on the amount you contributed, and supplementary benefits, which are based on your average salary at retirement. While you must have contributed in order to have participated in Part B of the Program, General Motors pays the entire cost of the supplementary benefit and most of the cost of the primary benefit.

Further information regarding benefits which may be payable to your surviving spouse in the event of your death begins on page 28 of this booklet.

Retirement Program benefits generally are in addition to Social Security benefits (see pages 9 and 10). References to Social Security in this booklet are based on the federal law in effect in January 1980. Any questions you may have regarding Social Security should be referred to your local Social Security office.

Below are answers to questions which have been asked by retirees and surviving spouses. If you do not find answers to your specific questions, you may wish to contact the salaried personnel department at the GM location where you or your deceased spouse last worked.

---

### What Determines the Amount of My Retirement Benefits Under Part A of the Retirement Program?

The items used in the calculation of your monthly Part A retirement benefit include the following:

- Type of retirement
- Date of retirement
- Benefit rate
- Number of years of credited service

- Age at time of retirement
- Whether you elected the Part A surviving spouse option.

The information used to calculate your monthly retirement benefit is set forth on your copy of Form SRP-117, Authorization of Monthly Part A Benefits and Part B Supplementary Benefits. This form shows how your retirement benefits were calculated. A signed copy of this form was given to you or your deceased spouse at retirement.

You are notified of any adjustments to your Part A retirement benefits after you retire by letters showing revised benefit amounts. Such letters should be kept with your Form SRP-117.

### **What Are the Various Parts of My Part A Retirement Benefit?**

Each monthly Part A retirement benefit is composed of one or more of the following:

- Basic benefit (see below)
- Supplement (see below)
- Temporary benefit (see page 5)
- Special benefit (see page 5)

### **What Is a Part A Basic Benefit and How Is It Determined?**

The basic benefit is a non-contributory lifetime benefit payable to a retired employee. It also is the amount on which any Part A survivor's benefit is based.

The basic benefit amount is determined by multiplying the basic benefit rate currently in effect by your years of credited service. This benefit may be reduced because of your age at retirement. It also will be reduced if you have a survivor option in effect.

### **What Are Part A Supplements and Who Is Eligible to Receive Them?**

Part A supplements are amounts paid monthly in addition to basic benefits. In the case of early retirement, the supplements are intended to bring your total monthly benefit up to a certain level until you attain age 62 (age 65 if you retired before October 1, 1979).

If you retired between March 1974 and September 1979, you may be eligible for an age-service supplement or a lifetime supplement. These supplements are payable for life.

### **Are Part A Retirement Supplements Reduced for Reasons Other Than Age?**

Yes. If you are receiving an early retirement supplement, any increase in your basic benefit will result in a corresponding decrease in your supplement. However, under the 1979 Program modifications, the amount of your early retirement supplement will increase on the same dates as your basic benefits (see Table 2 on page 11).

Any supplement payable to you prior to age 65 will be reduced for earnings in a calendar year which are in excess of the following amounts:

Calendar Year	Annual Earnings Limitation Amount
1980	\$ 4,500
1981	5,000
1982	5,500

For example, if you earn more than \$4,500 in 1980, your supplement will be reduced by \$2 for each \$1 of your earnings above \$4,500.

If you retired voluntarily and become eligible for a Social Security disability insurance benefit, any supplement you are entitled to receive before age 62 (age 65 if you retired before June 1974) will be reduced. The amount of the reduction will equal the amount of the temporary benefit in effect at the time of your Social Security disability insurance benefit award (see page 5).

***If you become eligible for a Social Security disability insurance benefit or if you earn more than the amount listed above, you immediately should advise the salaried personnel department at the GM location from which you retired. This will help prevent an overpayment of GM benefits which you would have to repay.***

If you retired between March 1974 and September 1979, with 30 or more years of

credited service, you may receive a monthly Part A lifetime supplement upon attaining age 65. Previously, the amount of this supplement was \$75, \$80, or \$100 per month, depending on the date of retirement. On and after October 1, 1979 the amount of this supplement is adjusted to \$65 per month in recognition of the substantial increase in the Part A basic benefit rate as shown in Table 1 on page 11.

Part A supplements are reduced by the amount of any monthly Part B supplementary benefit payable to you.

### **When Am I Eligible for Part A Temporary Benefits?**

If you retired prior to age 62 (age 65 if you retired before June 1974) because of total and permanent disability, under conditions mutually satisfactory to you and General Motors, as a "special early" retirement, or at the option of General Motors, you may be eligible to receive a monthly temporary benefit. The temporary benefit would be in addition to any Part A basic benefits or supplements for which you may be eligible.

The temporary benefit is payable to age 62 (age 65 if you retired before June 1974). In no event, however, will the temporary benefit be payable after you become eligible, or could have become eligible, for a Social Security disability insurance benefit. If you are approved for Social Security disability insurance benefits, the temporary benefit ceases to be payable, even if you subsequently cancel your Social Security disability insurance benefit. The amount of the monthly temporary benefit is based on your years of credited service at retirement, up to 25, and the temporary benefit rate as determined by your retirement date. The amount was increased by one dollar per month, per year of credited service, up to 25, on October 1, 1979.

### **When Do I Become Eligible for the Part A Special Benefit?**

Each retired employee and eligible surviving spouse who is age 65 or over and receiving a

monthly Part A basic retirement benefit, or a survivor benefit related to Part A, is eligible to receive a special benefit. This benefit also is payable, upon application to General Motors, to a retiree or surviving spouse who is receiving a Part A basic retirement benefit and who is under age 65 and enrolled in Part B of Medicare.

This benefit is provided under the Insurance Program for retirements with benefits commencing on and after October 1, 1979, but is included in the monthly retirement check. Not more than one special benefit is payable to any individual for any one month. Benefit amounts are shown in Table 3 on page 11.

### **What Are the Various Parts of the Part B Retirement Benefit?**

Each monthly Part B benefit includes a primary benefit. It also may include a supplementary benefit.

The primary benefit is based on a percentage of your total Part B contributions at retirement.

The supplementary benefit is based on a percentage of your average monthly base salary times the number of years you were a participant under Part B.

### **What Determines the Amount of My Retirement Benefits Under Part B of the Retirement Program?**

Any benefits you may be receiving under Part B of the Retirement Program are based on the following:

- The type of your retirement
- The date you retired
- The number of years you participated
- Your age at retirement
- Whether you contributed at all times while eligible
- The amount of your contributions in the Program

- Your average monthly base salary as defined in the Retirement Program in effect when you retired
- Whether you elected a Part B surviving spouse option

The amount and calculation of your Part B primary benefit is shown on Form SRP-17. Any monthly Part B supplementary benefits are shown on Form SRP-117. Copies of all applicable forms were given to you or your deceased spouse at retirement. These benefits may have been increased from time to time after you retired. You should refer to the most recent notice from General Motors which shows your benefits before and after the last increase.

### **If I Did Not Contribute to My Retirement Under Part B, Is the Part A Benefit Affected?**

No. Your monthly Part A basic benefit is the same whether or not you contributed under Part B.

### **What Happens to the Money That I Contributed to Part B of the Retirement Program?**

Your contributions and the Corporation's contributions were paid over to the Metropolitan, Aetna and Prudential Life Insurance Companies. These monies are invested by the insurance companies and payments are made to you or to your surviving spouse or designated beneficiary according to the terms of the Program.

### **May I Assign Any of the Benefits Under the Retirement Program to Another Person?**

No. You cannot assign your rights under the Retirement Program to anyone else.

### **Do the Monthly Benefit Amounts Increase?**

Most retirees have received increases in their monthly Part A basic retirement benefit at various times since their retirement.

For example, an individual who retired with 25 years of credited service at age 65 in 1969 with a monthly basic retirement benefit of \$137.50 received \$296.25 in October 1979.

The Part A basic benefit rate was increased by \$1.90 per month, per year of credited service, on October 1, 1979. Additional increases scheduled for the future are shown in Table 1 on page 11.

The Part A supplement, temporary benefit and special benefit also have been increased at various times. The Part A supplement and the special benefit will be increased further in the future as shown in Tables 2 and 3 on page 11.

Benefits provided under Part B of the Retirement Program also have been increased at various times in the past. In addition to an increase of up to 23% effective October 1, 1979, Part B primary and supplementary benefits will be increased further by 5% on October 1, 1980 and again on October 1, 1981.

Increases for eligible surviving spouses are proportionate to retiree increases.

You will be notified of the amount of any increase in advance of the date the increase becomes effective.

### **What Should I Know About My Total and Permanent Disability Retirement?**

If you retired because of total and permanent disability, your monthly Part A basic and Part B benefits are the same as if you had retired at age 65. They are based on your credited service, average salary, and Part B contributions at the time of your disability retirement. In addition, if Social Security determines that you are not eligible for disability benefits under the Social Security Act, you may receive a temporary benefit from GM (see page 5).

If you are under age 65 and are receiving a total and permanent disability retirement benefit, this benefit will cease to be payable if

you (i) are no longer totally and permanently disabled or (ii) become gainfully employed for purposes other than rehabilitation. You should notify the GM location from which you retired in either event.

### **Can I Change My Type of Retirement After My Retirement Effective Date?**

No. The type of retirement under which you retired will be retained throughout your retirement years.

### **Can My Retirement Benefits Be Reduced for Workers Compensation I Receive?**

Yes. Workers compensation benefits paid to retired employees will be deducted from the Part A retirement benefits otherwise payable. However, workers compensation payments paid under a claim filed within two years after the breaking of credited service will not be deducted.

This deduction also is applicable to any supplementary benefits you may be receiving under Part B of the Retirement Program.

### **What If My Spouse Dies or We Are Divorced?**

If you have a survivor option in effect as discussed on pages 28 and 29, you may revoke the survivor option in the event your designated spouse dies or you are divorced by final court decree. Generally, your Part A basic benefit would be restored to the amount payable without the option. Restoration is effective on the first of the third month after proper notice and documents are submitted to General Motors. Part B benefits are not restored to the amount payable without the survivor option in the event you outlive your spouse.

Consent of General Motors and/or the Metropolitan Life Insurance Company is

necessary for revocation of any survivor option while your spouse is alive.

### **If I Marry or Remarry After My Retirement, May I Elect a Survivor Option for My New Spouse?**

If you retired on or after January 1, 1962 and did not reject the Part A surviving spouse option at any time it was made available to you, you may be eligible to elect or re-elect a Part A surviving spouse option with respect to your new spouse. In all cases the option would provide benefits under the terms and conditions of the program which was in effect at the time you retired.

The option would become effective on the first day of the third month following the month in which your completed election form is received by General Motors. However, the option cannot become effective before you have been married to your new spouse for one year.

**IMPORTANT** - *The option will not become effective if your completed election form is received by General Motors after the first day of the month in which you have been married for one year.*

To elect or re-elect the option, complete Form SRP-60M, which is printed on page 43 of this booklet. Send the completed form, together with proof of your present marriage, to the salaried personnel department at the GM location from which you retired. A copy of this form was sent to each GM retiree as a part of the material announcing the 1979 benefit improvements. If you submitted that copy of the form, it is not necessary to submit another form.

### **When Will I Receive My Monthly GM Retirement Check?**

Generally, retirement checks are mailed by the trustee to the retiree, surviving spouse or a designated bank three business days prior to the end of each month. Therefore, you should receive your check during the first

week of the next month. If you do not receive your check within 10 days from the first of any month, you should contact the GM location where you or your deceased spouse last worked. If you have a banking agreement, you should contact the bank prior to contacting your former employing location. After you notify the GM location of the missing check, a stop payment will be placed on it. Thereafter, a new check will be issued to you, normally within 10 business days.

### **What Is a Banking Agreement and Am I Eligible to Have One?**

A banking agreement is an arrangement you may elect so that your monthly retirement check will be deposited directly into your bank account. If you are interested in a banking agreement, ask your bank if it has facilities for this procedure. If your bank permits this procedure, contact the GM location where you or your deceased spouse last worked to obtain the required banking agreement forms. You then can arrange to have your monthly retirement check deposited directly into your bank account.

### **Whom Should I Notify If I Have an Address Change?**

You should notify the GM location where you or your deceased spouse last worked any time you change your address. You should notify the GM location of the address change even though you have a banking agreement. A correct home address helps to ensure that you, as a GM retiree or a surviving spouse, will receive information sent to you by General Motors.

Your check stub provides a vehicle for informing your former employing location of an address change.

### **What Information Is Needed to Identify My Particular Retirement File?**

Whenever you write to the GM location where you or your deceased spouse last worked, or to General Motors, you should include your plant code-retirement number. Your plant code-retirement number is shown on the check stub of each monthly retirement check you receive. In addition, the SRP-117 and SRP-17 authorization forms you signed at retirement, and were given a copy of, include your plant code-retirement number. If you do not know your plant code-retirement number, you should identify the location where you or your deceased spouse last worked whenever you write regarding your benefits.

### **Are My Retirement Benefits Subject to Federal Income Taxes?**

The Internal Revenue Service has taken the position that retirement benefits under both the insured portion of the Program (Part B primary benefits) and the trustee portion of the Program (Part A and Part B supplementary benefits) should be combined and considered as received under a single plan. Under this position, if the total of such benefits received within three years from the first payment are expected to equal or exceed your contributions to the Program, all benefits under the Program should be excluded from gross income until an amount equal to your contributions has been received. The amount of your contributions is noted on your copy of Form SRP-17 which was given to you or your deceased spouse at retirement. Once an amount equal to your contributions has been received under the Program, all subsequent benefit payments would be fully includable in gross income.

If the aggregate benefits received within this three-year period will be less than your contributions to the Program, each benefit payment you receive will consist of two parts: (a) a return of your contributions and (b) taxable income. In general, the portion considered to be a return of your contributions,



and thus tax free, is determined by multiplying the benefits received by a calculated percentage. The percentage may be obtained by dividing your net contributions to the Retirement Program by the total amount it is estimated (through use of life expectancy tables provided by the Internal Revenue Service) you and your survivor annuitant, if any, will receive under the Program as of the date the benefits commence.

If you are receiving benefits under Part A only (or benefits under Part A and only supplementary benefits under Part B), the entire amount of such benefits will be taxable as ordinary income when received since all of the contributions toward the cost of these benefits were made by General Motors. If you retired because of total and permanent disability and are under age 65, you may be eligible for a limited exclusion from income.

For further information relative to the federal income tax status of your retirement benefits, you may wish to consult your tax advisor or the instructions for U.S. Individual Income Tax Return (Form 1040) covering pension and annuity income.

### **What About State and Local Income Taxes?**

Your retirement benefits may be subject to state and local income taxes. However, not all state and local jurisdictions impose an income tax on individuals. In addition, other jurisdictions exempt all or a portion of retirement payments from tax. Because of these differences, you should consider any taxability of your retirement benefits in light of the laws in effect in your particular state and local jurisdiction.

For further information relative to the tax status of your retirement benefits, you may wish to consult instructions for applicable state and local income tax returns, or your tax advisor.

### **Is Any Withholding of Income Tax Made From My GM Benefits?**

Federal income tax will be withheld from your GM retirement benefits only if you request such withholding. If you wish to have federal income tax withheld from your GM retirement benefits, you must request withholding on U.S. Treasury Form W-4P. This form is available at your local Internal Revenue Service office. You should read carefully the instructions for the form before completing it. The completed form should be sent to General Motors Corporation, Insurance and Pension Section, Room 7-135, 3044 West Grand Boulevard, Detroit, Michigan 48202. Once begun, withholding will continue until you request in writing that it be terminated, or until you file a new Form W-4P increasing or decreasing the amount of withholding.

The Retirement Program trustee and the Metropolitan Life Insurance Company are required to file Form W-2P (Statement for the Recipients of Periodic Annuities, Pensions, Retired Pay, or IRA Payments) with the Internal Revenue Service with respect to each person who receives retirement benefits of \$600 or more during a calendar year or who receives any amount and has federal tax withheld. A copy of the form filed with the Internal Revenue Service, if any, will be furnished to you. If you receive less than \$600 and do not have federal tax withheld, a statement of benefits paid to you during the year will be furnished to you.

### **What About My Social Security Benefits?**

Your Social Security benefits generally are in addition to GM retirement benefits for which you might be eligible. You and General Motors contributed equally to the cost of Social Security benefits. Social Security old age benefits may begin as early as age 62 in a permanently reduced amount. Benefits are payable in full if they begin at or after age 65.

Your GM Part A basic retirement benefits are not affected by your eligibility for Social

Security However, the early retirement supplements and temporary benefit are reduced, or eliminated, when you become eligible for a Social Security disability insurance benefit. Neither General Motors nor the Retirement Program trustees will be responsible for any attorney fees you may incur in connection with any disputed Social Security application.

If you retired because of total and permanent disability, under conditions mutually satisfactory to you and General Motors, as a "special early" retirement, or at the option of General Motors, and become eligible for a Social Security disability insurance benefit, you should notify the GM location from which you retired. Prompt notification may prevent an overpayment of GM benefits which you would have to repay.

### What About Social Security Benefits for My Spouse?

Your spouse may be eligible for a Social Security benefit based on his or her own wage record. If not so eligible, your spouse's monthly Social Security benefit will be equal to one-half of your unreduced monthly Social Security benefit, if your spouse is age 65. Your spouse may receive a permanently reduced benefit as early as age 62. A reduced widow's or widower's benefit is payable as early as age 60.

### When Can I Receive Social Security Disability Benefits?

If you are disabled, you may be eligible to receive disability insurance benefits from Social Security at any age before age 65. These benefits equal your accrued Social Security benefit payable as if you were age 65. Your nearest Social Security office can tell you if you qualify. Benefits may be payable after you have been disabled for five full calendar months. However, you do not have to wait five months to apply.

***If you become eligible for Social Security disability insurance benefits, you immediately should notify the salaried personnel department at the GM location from which you retired.*** This notice is necessary to avoid an overpayment of GM benefits which you would have to repay.

### How Do I Find Out What My Monthly Social Security Benefit Will Be?

Questions concerning Social Security should be referred to the Social Security Administration office nearest you.

The following table shows current maximum monthly Social Security old age benefits. The table is based on the federal law in effect in January 1980.

Maximum Monthly Social Security Old Age Benefits for Retirement at Age 65			
Year of Retirement	Monthly Benefit Amount		
	Retiree	Spouse	Total
	\$	\$	\$
1951	277	138	415
1955	338	169	507
1960	346	173	519
1965	358	179	537
1970	397	198	595
1975	451	225	676
1976	480	240	720
1977	512	256	768
1978	538	269	807
1979	553	276	829
1980	572	286	858

**NOTE:** Amounts are rounded to nearest dollar. In all instances, you and your spouse are assumed to be the same age. You and your spouse may receive lower benefits from Social Security than those shown above if you earned less than the maximum amount subject to Social Security taxes or if either of you had not attained age 65 at retirement.

**PART A RETIREMENT BENEFIT TABLES**  
**Increases Applicable To Retirements Commencing Prior To**  
**October 1, 1979**

<b>TABLE 1 — DATE AND AMOUNT OF INCREASE IN MONTHLY PART A BASIC BENEFIT RATE PER YEAR OF CREDITED SERVICE</b>								
10-1-79	2-1-80	8-1-80	10-1-80	2-1-81	8-1-81	10-1-81	2-1-82	8-1-81
\$ 1.90	\$ .20	\$ .25	\$ .25	\$ .25	\$ .25	\$ .25	\$ .30	\$ .30

<b>TABLE 2 — PART A SUPPLEMENT FOR EARLY RETIREMENT WITH 30 OR MORE YEARS OF CREDITED SERVICE</b>		
Effective Date of Increase	Monthly Amount of Increase	
	Payable to Age 62	Payable Between Ages 62-64
	\$	\$
10-1-79	75.00*	30.00*
	50.00**	30.00**
2-1-80	10.00	5.00
8-1-80	15.00	7.50
10-1-80	15.00	7.50
2-1-81	15.00	7.50
8-1-81	15.00	7.50
10-1-81	15.00	7.50
2-1-82	15.00	7.50
8-1-82	15.00	7.50

\*Applicable to retirements with benefits commencing on or after January 1, 1965 and prior to October 1, 1974.

\*\*Applicable to retirements with benefits commencing on or after October 1, 1974 and prior to October 1, 1979.

<b>TABLE 3 — PART A SPECIAL BENEFIT AMOUNT EFFECTIVE ON DATES INDICATED</b>		
10-1-79 through 9-1-80	10-1-80 through 9-1-81	10-1-81 and after
\$8.70	\$9.20	\$9.70

NOTE — Payable under GM Insurance Program for retirements with benefits commencing on or after October 1, 1979.



## Your Health Care Benefits

The GM Insurance Program provides protection for you and your eligible dependents against a wide range of Health Care expenses. GM Health Care coverages have been changed from time to time through the years and are subject to change in the future. Coverages may be continued for your eligible surviving spouse in the event of your death as described on pages 29 and 30.

Various organizations called carriers provide Health Care benefits. These carriers are local Blue Cross and Blue Shield plans, the Metropolitan Life Insurance Company, and the Connecticut General Life Insurance Company. Your carriers generally are the same carriers that provided Health Care benefits while either you or your deceased spouse were working.

Alternative coverage, providing benefits which may differ from those shown below, is offered in some areas at your option through a health maintenance organization (HMO) or other group practice plan. Descriptive materials of benefits provided under alternative coverages are available at the insurance office at the GM location where you or your deceased spouse last worked and from the HMO or group practice plan.

Your Health Care benefits cover most hospital, surgical-medical, prescription drug, dental, hearing aid, and, effective October 1, 1980, vision expenses. If you or any of your dependents are age 65 or older (or qualify because of disability) and are covered under the federal Medicare Program, your coverage under the GM Insurance Program is adjusted automatically on the date Medicare coverage becomes effective. See page 20 for details.

Set forth below are answers to many questions concerning basic Health Care benefits. Answers to questions concerning comprehensive medical expense insurance benefits begin on page 17. If you have any questions concerning your Health Care benefits that are not answered, you may wish to contact the salaried personnel department at the GM location where you or your deceased spouse last worked.

### Are My Health Care Coverages Continued While I Am Retired?

Your basic Health Care coverages will be provided at GM expense for your lifetime (except for voluntary retirement as early as age 55 and prior to age 60 when combined years of age and credited service total less than 85, or for retirement as early as age 60 and prior to 65 without retirement benefits).

If you retired voluntarily as early as age 55 and prior to age 60 when your combined years of age and credited service totaled less than 85, you may continue your basic Health Care coverages for your lifetime provided you pay the full cost.

During periods that basic coverages are in effect, you also may continue your comprehensive medical expense insurance coverage by making the monthly contributions applicable to retirees (see page 17) or by paying the full cost, if applicable.

### What Are My Benefits If I Am In a Hospital?

Hospital coverage provides benefits for the following care and services.

- up to 365 days of needed care in a semi-private room in a participating hospital for general conditions, including maternity care;

- up to 45 days of needed care in a hospital for nervous and mental conditions, or in an approved residential substance abuse treatment facility,
- most medical needs in a hospital or approved facility, such as supplies, drugs, dressings, anesthesia, x-ray, laboratory tests, intensive care, and routine nursery care,
- up to \$100 per day for room, board, and all covered services in a non-participating general acute care hospital (up to \$15 per day for other than a general acute care hospital),
- medically necessary transfers by ambulance between hospitals and for transfers from hospitals to approved facilities for a CAT scan

### **What About Hospital Outpatient Services?**

Payment is made for most services in the outpatient department of a hospital, such as:

- treatment of accidental injuries and certain medical emergencies, surgery, physical therapy (up to 60 treatments per condition per year which also may be performed in an approved facility other than a hospital), and use of an artificial kidney machine, iron lung and similar equipment,
- up to 35 outpatient treatments per year in an approved substance abuse treatment facility (limited to 140 lifetime treatments),
- up to \$1,000 per calendar year for outpatient psychiatric services when billed by an approved facility

### **What Services Are Covered in a Nursing Home?**

Up to 730 days of needed care (other than custodial care) are provided in an approved nursing home for general conditions — up to 90 days for nervous and mental conditions.

### **Suppose I Need Home Care?**

Benefits are provided in those areas which have approved home care programs. When

recommended by your physician, payment is made for necessary skilled nursing and home health aides.

### **What Surgical-Medical Services Are Covered?**

Benefits are provided for physicians' reasonable and customary charges as determined by the carrier for:

- surgery and anesthesia, including pre- and post-operative care,
- obstetrical delivery, including pre- and post-natal care,
- in-hospital consultation and technical surgical assistance,
- in-hospital medical care by the doctor in charge of the case and doctor's medical visits at the rate of two per week for up to 730 days in an approved nursing home for general conditions,
- radiation therapy and chemotherapy for malignant conditions,
- necessary diagnostic x-ray, laboratory, and pathology services,
- laboratory testing for an annual pap smear;
- outpatient treatment of accidental injuries and certain medical emergencies,
- outpatient psychiatric services, including family counseling (subject to a copayment of 10% for the sixth through the tenth visits and a 25% copayment for all subsequent visits), and benefits of up to \$75 for psychological testing. Payment is limited to \$1,000 per person per calendar year in combination with expenses for outpatient psychiatric services in an approved facility.

### **Are Prosthetic Appliances Covered?**

Benefits are provided for the purchase, fitting, and repair of certain external prosthetic appliances which replace a body part or the functions of a permanently malfunctioning body part. These prosthetic appliances must be prescribed by a licensed physician and furnished and billed by a hospital or facility approved by the carrier.

### Suppose I Need a Wheelchair or Other Durable Medical Equipment?

Benefits are provided for the purchase or rental of certain durable medical equipment (such as hospital beds, crutches, or wheelchairs) when prescribed by a licensed physician. This equipment must be necessary for treatment of a medical condition and be provided and billed by a hospital, nursing home, or professional provider such as a pharmacy or medical supply house.

### How Do I File a Claim for Hospital or Surgical-Medical Benefits?

If your carrier is a Blue Cross or Blue Shield plan, just show your identification card (and your Medicare card, if you have Medicare) when you go to a hospital, residential or outpatient treatment facility, nursing home, physician, or other provider of covered services.

No deposit should be required for covered services in Blue Cross participating hospitals, nursing homes, or other approved facilities. The hospital or facility is paid directly by Blue Cross (and Medicare, if applicable). Blue Shield generally pays physicians directly.

In any situation where a provider of a covered service is not paid directly by Blue Cross or Blue Shield, you should submit the charges to your local Blue Cross or Blue Shield plan office. If you have Medicare, include the ID number from your red, white, and blue Medicare card when you send your claim to your local Blue Cross or Blue Shield plan.

If your carrier is Metropolitan Life Insurance Company, obtain a claim form from the insurance office at the GM location where you or your deceased spouse last worked or Metropolitan Life. Complete the upper portion of the form and have the hospital, residential or outpatient treatment facility, nursing home, physician, or other provider of

covered services complete the lower portion. Either you or the provider can submit the completed form to Metropolitan Life.

Payment will be made directly to the provider unless you have paid all or part of the charges for service. In that case, Metropolitan Life will pay you. In the case of hospital coverage provided by Metropolitan Life, payment will always be made to you, unless you authorize Metropolitan Life to pay the facility directly. In either case, if you have Medicare, read the notice on Metropolitan's claim form for the procedures to be followed.

### Are Benefits Available for Hearing Aids?

GM Health Care coverages include benefits to provide hearing aids for retirees, surviving spouses, and their eligible dependents.

To obtain benefits you must first be examined by an ear specialist (otologist or otolaryngologist) to determine if your hearing problem is caused by a condition which may be corrected by use of a hearing aid. **The cost of this examination is not a covered service.**

If it is determined that your hearing problem may be corrected by use of a hearing aid, benefits will be provided for the reasonable and customary charges for the following services once during any period of 36 consecutive months **only when all such services are obtained from a participating provider:**

- audiometric examination,
- hearing aid evaluation test (up to \$48, subject to change each October), and
- one hearing aid (acquisition cost and dispensing fee). However, only the particular hearing aid prescribed as a result of the hearing aid evaluation test will be covered.

Covered benefits will include an ear mold, necessary fitting and adjustment of the hearing aid, and a follow-up examination to determine the effectiveness of the hearing aid.

### **How Do I File a Claim for Hearing Aid Benefits?**

Participating providers generally will have the necessary claim forms and will be paid directly by the carrier.

Benefits are payable **only** if you obtain services from a participating provider. Ask the provider if he or she is participating **before** you receive services. If you need the name of a participating provider, inquire at the GM location where you or your deceased spouse last worked, the Blue Shield plan in which you are enrolled, or Metropolitan Life, as may be applicable.

### **Does My Coverage Pay for Prescription Drugs?**

Benefits are provided for the purchase of drugs which require prescription by a licensed physician under federal law. Benefits also are provided for injectable insulin and disposable syringes and needles when prescribed to inject the insulin. A \$3 copayment is applicable for each prescription order or refill.

Drug quantities are limited to a maximum of a 34-day supply per prescription, except for certain maintenance drugs which may be dispensed in 100 or 200 unit doses. Most pharmacies have a listing of these maintenance drugs. Disposable syringes and needles are limited to a 1-month supply when prescribed with a 1-month supply of insulin or, if greater, 100 syringes and needles when prescribed with a 3-month supply of insulin.

Drugs purchased from a participating pharmacy will be billed directly to the carrier by the pharmacy.

Participating pharmacies display a Blue Shield or Metropolitan sign which indicates that the pharmacy participates under the prescription drug plan.

If you purchase drugs from a non-participating pharmacy, you will be required to pay the full charge and file a claim with your carrier. You will be reimbursed 75% of the reasonable and customary charge, less the \$3 copayment for each prescription. Claim forms may be obtained from the GM location where you or your deceased spouse last worked.

### **Is Dental Coverage Included?**

Dental coverage is provided for retirees, surviving spouses, and their eligible dependents (except sponsored dependents) for whom General Motors contributes the full cost of basic Health Care coverages.

Benefits will be provided up to an annual maximum of \$1,000 per person for other than orthodontics (teeth straightening) during any benefit year (October 1 through September 30), and up to a lifetime maximum of \$800 per person for orthodontics for individuals under age 19.

Benefits are based on the reasonable and customary charges of dentists as determined by the carrier. Metropolitan Life Insurance Company is the dental carrier for Michigan retirees and eligible surviving spouses. Connecticut General Life Insurance Company is the dental carrier for retirees and eligible surviving spouses from employing locations outside Michigan.

### **What Are the Dental Services Covered and the Benefits Payable?**

**Benefits are payable at 100% of the reasonable and customary charge for:**

- oral examinations and prophylaxis (cleaning of teeth), but not more than twice in any benefit year;
- topical application of fluoride for persons under age 20;
- emergency treatment for temporary relief of pain.

**Benefits are payable at 90% of the reasonable and customary charge for:**

- dental x-rays, including full mouth x-rays (but not more than once in any period of 36 consecutive months), and bitewing x-rays (but not more than twice in any benefit year),
- extractions and oral surgery,
- amalgam, silicate, acrylic, synthetic porcelain, and composite fillings,
- general anesthetics and intravenous sedation when medically necessary and administered in connection with oral or dental surgery,
- endodontic (nerve and pulp) and periodontal (gum) treatment,
- repair of crowns, bridgework or dentures, and relining or rebasing of dentures more than six months after installation, but not more than one relining or rebasing in any period of 36 consecutive months,
- inlays, onlays, gold fillings, or crowns, but only when the tooth cannot be restored with an amalgam or other filling

The remaining 10% of the reasonable and customary charge is a copayment payable by you.

**Benefits are payable at 50% of the reasonable and customary charge for:**

- initial installation of fixed bridgework,
- initial installation of removable dentures, including any adjustments during the six-month period following installation,
- replacement of an existing denture or fixed bridgework, but only when
  - (a) the replacement or addition of teeth is required to replace one or more teeth extracted after the existing denture or bridgework was installed; or,
  - (b) the existing denture or bridgework cannot be made serviceable and, if it was installed under this coverage, at least five years have elapsed prior to the replacement, or,
  - (c) the existing denture is an immediate temporary denture which cannot be made permanent and replacement by a

permanent denture takes place within 12 months from the date of initial installation of the immediate temporary denture,

- orthodontic (teeth straightening) procedures and treatment (including related oral examinations) for persons under age 19

The remaining 50% of the reasonable and customary charge is a copayment payable by you

### **How Do I File a Claim for Dental Benefits?**

Dental claim forms and instructions are available to dentists in areas where General Motors has employees. Most dentists will file your claim for you with the appropriate carrier. However, if your dentist does not have a claim form, you may obtain one from the GM location where you or your deceased spouse last worked or from your dental carrier.

If a course of treatment is expected to involve dental expenses amounting to \$200 or more, your dentist should file with the carrier a description of the procedures to be performed and an estimate of the charges prior to beginning treatment.

The carrier will notify the dentist of estimated benefits payable with consideration given to alternate procedures that may be performed in order to accomplish the desired results.

You should discuss with your dentist the treatment plan, the fee, and the estimated dollar amount of benefits **before** treatment begins.

### **Am I Covered for Vision Care?**

Effective October 1, 1980, retired employees, surviving spouses, and their eligible dependents (except sponsored dependents) for whom General Motors contributes the full cost of basic Health Care coverages will be eligible for vision coverage. No benefits will be provided for any vision service received prior to October 1, 1980.



Benefits will be provided for the reasonable and customary charges (less copayment) for

- vision examination by an ophthalmologist or optometrist once during any period of 12 consecutive months (\$5 copayment) Under certain limited conditions a benefit may be payable for a second examination within 60 days of the first examination,
- lenses once during any period of 12 consecutive months (\$7.50 copayment),
- contact lenses when vision cannot be corrected to 20/70 in the better eye except by their use or when certain irregularities in the shape of the eye require their use (\$7.50 copayment) When contact lenses are prescribed for any other reason, \$35 less the \$7.50 copayment will be the maximum benefit. Benefits will be provided for the reasonable and customary charges (less copayment) for contact lenses following cataract surgery unless otherwise provided under medical-surgical coverage,
- frames will be provided once during any period of 24 consecutive months (\$7.50 copayment) If you obtain your frames from a participating provider and you select frames from a display the provider will show you, there will be no expense to you other than the copayment. However, if you select frames not included in the display, or obtain your frames from a non-participating provider, up to \$15 less the \$7.50 copayment will be the maximum benefit.

The total copayment for each covered individual during any period of 12 consecutive months will not exceed \$12.50 (\$5 for a vision examination and \$7.50 for lenses and frames combined).

### How Do I File a Claim for Vision Benefits?

Metropolitan Life Insurance Company is the vision coverage carrier for all retirees and surviving spouses. A claim form may be obtained from the GM location where you or your deceased spouse last worked or from a participating provider. Complete your portion

of the form and have the remaining portion completed by the provider. The completed form should be sent to Metropolitan Life. Benefits will be paid directly to the provider to the extent that you have not paid all or part of the charges for services. In that case, Metropolitan Life will pay you

### What Is the Comprehensive Medical Expense Insurance Program?

Comprehensive medical expense insurance coverage provides you, your eligible dependents (except sponsored dependents) and surviving spouse with major medical benefits. This coverage is offered through the Connecticut General Life Insurance Company. It adds to the protection you are provided by the basic coverages described earlier.

You pay part of the cost of this additional coverage, based on the schedule below. General Motors pays the major portion of the cost.

Monthly Contributions	
Coverage	Retiree or Surviving Spouse
Single	\$ 1.15
Two Party	2.25
Family	2.75

### What Are Major Medical Benefits?

Major medical benefits offer additional protection when the basic benefits described earlier either have been exhausted or are not applicable.

Major medical benefits cover reasonable charges, less a deductible amount as described later, for necessary medical services and supplies, including those listed which are not generally covered by your basic coverages.

- physicians' non-surgical services out of hospital,
- up to \$25 a day toward the difference in cost between a semi-private and a private hospital room,
- professional private duty nursing care (up to \$25 a day when care is determined to be primarily custodial in nature),
- blood,
- professional ambulance service when medically necessary,
- semi-private hospital charges after the maximum duration allowed under basic coverages (generally 365 days) has been exhausted,
- semi-private nursing home charges for acute therapeutic care after the maximum duration allowed under basic coverages (generally 730 days) has been exhausted,
- dental work and dentures made necessary by an accident (to the extent not covered under the dental plan),
- inoculations,
- physical examinations (limited to one per year for persons over age 6) including laboratory tests,
- chiropractic services (up to 20 visits within the initial 3 months of treatment),
- voluntary sterilizations;
- copayments made under basic coverage for prescription drugs,
- up to \$150 a day, less amounts payable by basic coverages, for confinement in a hospital operated primarily for care of nervous or mental conditions;
- up to \$25 a day for custodial care in an approved facility, or for custodial care rendered at home by a professional private duty nurse.

### Must I Pay for Part of the Charge for Services?

Under comprehensive medical expense insurance, you pay a deductible amount of \$50 toward covered expenses which are incurred

each calendar year for the same individual. This \$50 is called the individual deductible amount. In meeting this amount, you can add up all of your covered expenses for the same individual, whether they relate to one condition or to a number of different conditions.

However, if covered expenses incurred by two or more family members equal \$100 (the family deductible amount), no additional deductible amount will be applied against expenses incurred by any of your other family members for that calendar year. No more than \$50 of covered expenses for any one family member can be applied toward the \$100 family deductible amount.

Any covered expenses incurred in October, November or December of any calendar year which are applied to the deductible amount for that year, and therefore are not reimbursable, may be applied to the deductible amount for the following calendar year.

### After Paying the Deductible Amount Are There Any Charges to Me?

After you pay the deductible amount, your major medical insurance pays 80% of the next \$2,500 of covered expenses incurred during one calendar year and 100% of covered expenses which exceed \$2,500. Covered expenses for outpatient psychiatric care continue to be payable at 80%, however.

### Are There Any Calendar Year Benefit Limitations?

Yes. Covered expenses for outpatient psychiatric care include only those charges for services rendered after all basic benefits have been exhausted. Reimbursement is limited to \$4,000 per year for non-psychotic conditions.

Covered expenses for allergy testing and treatment are limited to benefits of \$2,000 per year.

The maximum reimbursement amount is \$50,000 per calendar year for each individual. There is no lifetime maximum.

## **How Do I File a Claim Under the Comprehensive Medical Expense Insurance Program?**

You previously should have received a booklet "How to File A Claim" which provides instructions and helpful hints on how to file a claim. If you do not have a copy of this booklet, you may obtain one from the location where you or your deceased spouse last worked or from Connecticut General

You should file a claim when your out-of-pocket expenses exceed the \$50 deductible amount for an individual or \$100 for your family. However, if your covered expenses are small, you may find it more convenient to postpone filing until the end of the calendar year. *In any event, claims should be filed no later than 90 days following the end of the calendar year in which expenses were incurred.*

When you are ready to file a claim, you should obtain the necessary forms from the GM location where you or your deceased spouse last worked or from Connecticut General. There are things you should do routinely before you reach the point when you know you will have a claim to file

- keep all bills and receipts for medical services incurred by you or your insured dependents;
- keep bills and receipts properly identified, separated by individuals, and in chronological order;
- see that bills or receipts are itemized and include patient's name, description of service or medical supply, date of service or purchase, and charges incurred;
- keep basic coverage vouchers, and, if applicable, Medicare Explanation of Benefit vouchers, with appropriate bills or receipts;
- be sure drug receipts include prescription number, name of patient, date of purchase and amount of charge;
- be sure that receipts for medical supplies, equipment, private duty nursing, physical therapy, or other services not performed by

a physician are supported by certification of the attending physician that such supplies, equipment or services are medically necessary

It is your responsibility to accumulate your bills, receipts, and other supporting documents for a claim. By planning ahead, you can help yourself to obtain all the benefits to which you are entitled with a minimum of time and effort

If you are in doubt as to whether you should file a claim, you are urged to submit a claim and allow the carrier to determine benefits which might be payable

## **What Do I Need to Know About Medicare Eligibility and Enrollment?**

Medicare is a federal health care program for individuals age 65 or older and for certain individuals under age 65 who qualify (1) through receipt of Social Security disability insurance benefits or (2) after three months of dialysis treatment because of total kidney failure. Medicare has two parts: Part A, which provides hospital coverage, and Part B, which provides medical coverage. Enrollment for Part A is automatic. Enrollment for Part B is voluntary and requires a monthly contribution by you which you may have deducted from your Social Security check.

If you do not enroll for Medicare when first eligible, there is a 10% penalty in the monthly amount of Medicare Part B premium cost to you for each year you delay enrolling

## **What Are My Medicare Benefits?**

Medicare Part A can help pay for inpatient hospital care and for care in an approved skilled nursing facility, or in your own home through an approved home health care agency after an inpatient hospital stay

Medicare Part B can help pay for physician's services, including home and office calls, outpatient hospital services, physical therapy, speech pathology, ambulance service, and other medical services and supplies.

A booklet containing details of Medicare benefits is available upon request from your nearest Social Security office. It is suggested that you obtain a copy of this booklet and familiarize yourself with the important information contained in it.

### **What Effect Does Medicare Have on My GM Health Care Benefits?**

If you or one of your dependents is enrolled for Medicare, your basic Health Care benefits under the GM Insurance Program will be reduced by benefits payable for the same services under Medicare. Comprehensive medical expense benefits also will be reduced by the amount of Medicare benefits payable for any individuals who are enrolled in Medicare Part B. In other words, benefits payable under Medicare will not be duplicated by your GM Health Care benefits.

It is important for both you and your spouse to enroll for Medicare when first eligible. In the event of your death, your surviving spouse will not be eligible for Corporation contributions for any GM Health Care coverages if he or she is eligible but not enrolled for Medicare Part B at or after age 65.

### **How Do Medicare and GM Health Care Benefits Work Together?**

The Medicare program has deductible and coinsurance amounts which normally are payable by you. Your GM Insurance Program generally pays these Medicare deductibles and coinsurance amounts for you. However, if the deductible or coinsurance amounts apply toward Medicare benefits which are not covered benefits under the GM Insurance Program, the GM Insurance Program will not pay the applicable deductibles or coinsurance amounts for you.

### **Can I Transfer My GM Health Care Coverages If I Move?**

Yes. You may have changed your permanent residence to an area served by a carrier other than the one with which you were enrolled before moving. If your new residence is

located in an area served by a GM Health Care carrier in which GM salaried employees are enrolled, you may wish to transfer your basic Health Care coverages to the carrier that serves the area where you now live. If so, contact the GM location where you or your deceased spouse last worked for information as to how and when a transfer of coverage may be accomplished.

### **Are There Special Arrangements for Arizona and Florida Residents?**

Yes. If you are enrolled with a Blue Cross-Blue Shield plan and reside in Arizona or Florida for at least four full months in any 12-month period, you may elect to participate in the Arizona or Florida servicing program. This program will facilitate the payment of benefits for covered hospital and doctor services and prescription drugs received in Arizona and Florida. If you are interested in this program, you may contact the GM location where you or your deceased spouse last worked.

### **Are Sponsored Dependents Eligible for Health Care Coverages?**

Your sponsored dependents (generally aged parents) may have the same basic Health Care coverages as you have except that dental, vision, and major medical coverages are not available to sponsored dependents. You pay the full cost for sponsored dependent coverage.

### **What Does Coordination of Benefits Mean?**

A coordination of benefits provision is included in all Health Care coverages under the GM Insurance Program. This means that benefits payable under this Program, when combined with any other group plan benefits, are limited to the total allowable expenses incurred by the patient during any claim determination period. The purpose of this provision is to avoid duplicate payments of benefits in the event an individual is covered by more than one employer plan.

### **What Is Subrogation?**

In the event that any payment of benefits is made by a Health Care carrier under the GM Insurance Program for services which are legally determined to be payable by a third party, such carrier shall acquire all of the retiree's, surviving spouse's, or dependent's rights of recovery as a result of a settlement or judgment brought against any person or organization, except against insurers on policies issued in the name of the retiree, surviving spouse, or dependent

### **Are There Any Exclusions or Limitations With Respect to Health Care Coverages?**

Yes Certain services and charges with respect to Health Care coverages are excluded or limited

A complete description of exclusions and limitations applicable to each benefit provided under the GM Health Care coverages may be found in the appropriate benefit certificates and any riders thereto or similar documents provided by the carriers

### **Are Certificates Available?**

Yes The foregoing is intended only as an outline of your GM Health Care coverages. Actual governing provisions and specific exclusions are contained in the applicable benefit certificates and any riders thereto or similar documents provided by the carriers. Certificates will be available to you upon request from the insurance office at the GM location where you or your deceased spouse last worked or from your local Blue Cross or Blue Shield plan, Metropolitan, or other carrier, as may be applicable

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## **EXPLANATION OF CERTAIN TERMS APPLICABLE TO HEALTH CARE COVERAGES**

### **Carrier . . .**

any entity through which benefits are paid or coverage is underwritten, such as a Blue Cross plan, or a commercial insurance company.

### **Approved Facility or Treatment Program . . .**

a facility or a treatment program that has met criteria established by the local carrier to provide certain services covered by the GM Insurance Program. The following are examples of facilities or treatment programs which must be approved in order for benefits to be paid

- hospitals
- nursing homes
- outpatient psychiatric care facilities
- substance abuse treatment facilities
- outlets for prosthetic appliances
- free-standing physical therapy facilities
- home care programs

If you are not sure as to the approved status of a facility or treatment program, you may seek advice from the insurance office at the GM location where you or your deceased spouse last worked or request information from your local carrier.

**Copayment . .**

a part of the charge for services which you must pay. Most health care expenses are paid in full by the appropriate carrier. However, you must pay part of the charge or a "copayment" for certain services such as outpatient psychiatric care, prescription drugs, dental care and vision care.

**Participating Provider . . .**

a person (such as a doctor), or a facility (such as a hospital), that provides health care services. Providers are considered to be "participating" when they have signed an agreement with the carrier to accept as payment in full whatever the carrier determines to be an appropriate charge for services rendered.

You may be uncertain about the participating status, or whether there is any need for participation by any health care provider in your local plan area. If in doubt, contact your local carrier or the insurance office at the GM location where you or your deceased spouse last worked.

**Reasonable and Customary Charge . . .**

an amount determined by the carrier — it is the usual amount charged by providers for a specific service in a geographic area.



## In The Event Of Death

In the event of your death during retirement, benefits may be payable to your survivors under the Insurance Program and under the Retirement Program. Life insurance benefits available under the Insurance Program are discussed below. Information concerning survivor's benefits available under the Retirement Program is discussed on pages 28 and 29. Information concerning Health Care benefits for your survivors is discussed on pages 29 and 30.

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### INSURANCE BENEFITS IN THE EVENT OF DEATH

The benefits available to you and your eligible survivors are those provided under the Insurance Program in effect when you last worked for General Motors.

Set forth below are answers to questions you may have concerning any life insurance benefits that may be payable under the Insurance Program. If you have a specific question about life insurance benefits that is not answered here, you may wish to contact the salaried personnel department at the GM location where you or your deceased spouse last worked.

### BASIC LIFE AND EXTRA ACCIDENT INSURANCE

#### **Do I Have Basic Life Insurance Coverage as a Retiree Before Age 65?**

Most retirees have basic life and extra accident insurance continued during retirement before age 65 without cost to them. However, retirees who retired voluntarily as early as age 55 and prior to age 60 when combined years of age and credited service totaled less than 85 must contribute \$.50 per month for each \$1,000 of basic life insurance in force until age 65.

Insurance is not continued for a retiree who receives a monthly instalment payment of basic life insurance because of total and permanent disability (as described on page 33).

#### **How Much Basic Life Insurance Do I Have as a Retiree Before Age 65?**

If you are insured, the amount of your basic life insurance before age 65 is approximately

24 times your monthly base salary at retirement. Extra accident insurance, in an amount equal to one-half of your basic life insurance, also may be payable for accidental death.

#### **What Happens to My Basic Life Insurance When I Reach Age 65?**

If you are insured and have 10 or more years of participation when you reach age 65, your basic life insurance is reduced and continued without cost to you for your lifetime. At age 65, your extra accident and survivor income benefit insurance, if any, are canceled.

#### **How Much Basic Life Insurance Will I Have After Age 65?**

Starting at age 65, your basic life insurance is reduced each month by 2% of the amount in force at age 65. This reduction continues until the amount of insurance equals the amount in force at age 65 times 1-1/2% for

4/5/10  
each year of participation up to 20 years. If you last worked on or after January 1, 1974, this 20 year maximum is not applicable

For example, an employee who retired in 1975, with 30 years of participation who had \$24,000 of basic life insurance at age 65, would have \$10,800 of continuing life insurance after all reductions, computed as follows

$$\$24,000 \times 1-1/2\% \times 30 \text{ years} = \$10,800$$

However, effective January 1, 1979, if you worked for GM after age 65, the amount of each monthly reduction and the amount of your continuing life insurance will depend on your years of participation and your last base salary prior to your retirement

If you last worked on or after November 22, 1976, the minimum amount of continuing life insurance is \$2,500. If you last worked prior to that date, the minimum amount is \$2,000

### **Will I Be Notified of the Amount of My Basic Life Insurance?**

Yes. When you reach age 65 (or following retirement if later) you will be notified what the amount of your continuing life insurance will be after all reductions (as described above) have been made. An additional notice will be sent to you when the final amount of continuing life insurance has been reached. **You should keep these notices with your records.**

### **To Whom Is My Basic Life Insurance Payable?**

Your basic life insurance, and any extra accident insurance that may be payable, is payable to the latest beneficiary (or beneficiaries) that you have designated, provided the beneficiary (or beneficiaries) is alive at your death. If you are uncertain who your beneficiary is, you may wish to contact the salaried personnel department at the GM location from which you retired.

### **May I Change My Beneficiary?**

Yes. You may change your beneficiary or beneficiaries at any time. However, if you have assigned your basic life insurance to someone else, only the assignee has the right to designate the beneficiary.

To change a beneficiary, contact the salaried personnel department at the GM location from which you retired.

### **What Options Does My Beneficiary Have With Regard to Receiving My Basic Life Insurance When I Die?**

Your beneficiary may receive the basic life insurance in one lump sum payment or under any of the optional income plans made available by the Metropolitan Life Insurance Company.

### **What Should I Do If My Designated Beneficiary Dies?**

You should immediately contact the salaried personnel department at the GM location from which you retired. ***It is important for you to name a new beneficiary if your present beneficiary dies.*** If there is no beneficiary living at the time of your death, your basic life insurance may be paid to your estate or in a manner other than that which you may have desired. This may result in legal and tax problems for your survivors.

### **What Should My Beneficiary Do to Receive Life Insurance Benefits When I Die?**

Each of your beneficiaries must make a claim on a form provided for this purpose by General Motors. ***To do this, your beneficiary should contact the salaried personnel department at the GM location from which you retired.***



## **SURVIVOR INCOME BENEFIT INSURANCE**

### **In Addition to Basic Life Insurance, Are Any Other Insurance Benefits Available to My Survivors Under the Insurance Program?**

Your survivors may be eligible for certain *survivor income benefits* if you are insured for survivor income benefit insurance. Optional group life insurance also may be available if you are insured for such coverage (see page 26)

If basic life and extra accident insurance are continued, survivor income benefit insurance also may be continued, depending on when the retiree last worked and when retirement benefits commenced. If survivor income benefit insurance is continued, no contributions beyond any required for basic life and extra accident insurance are necessary.

### **What Is Survivor Income Benefit Insurance?**

Survivor income benefit insurance provides monthly income payments to an eligible survivor following the death of an insured retiree. Two kinds of monthly survivor benefits may be provided, *transition benefits* and *bridge benefits*.

### **What Are Transition Benefits?**

Transition benefits are monthly benefits payable during the 24 month period following your death, if you were insured for survivor income benefits. These monthly benefits may be paid to your eligible spouse, dependent children, or dependent parents, in that order. The monthly amount of the transition benefit depends on when you last worked and whether your survivors are eligible for certain Social Security benefits.

### **What Are Bridge Benefits?**

Bridge benefits are monthly benefits payable to your surviving spouse after payment of the 24th transition benefit. They are payable until the surviving spouse dies, remarries, or attains age 62 or such lower age at which full widow's or widower's insurance benefits or old age insurance benefits become payable under Social Security.

The monthly amount of the bridge benefit depends on when you last worked.

Bridge benefits are not payable for any month for which a surviving spouse could qualify for a mother's or father's insurance benefit under Social Security, whether or not she or he actually receives the mother's or father's benefit.

To receive bridge benefits your surviving spouse must meet age and other eligibility requirements.

### **If Eligible to Receive Survivor Income Benefits Under the Insurance Program, May My Spouse Also Receive Survivor Benefits Under the Retirement Program?**

Not at the same time. However, your surviving spouse may waive any right to receive survivor income benefits in order to receive a higher survivor benefit under Part A of the GM Retirement Program as described on page 28. For example, if the monthly surviving spouse benefit under Part A of the Retirement Program exceeds the monthly amount of the survivor benefit under the Insurance Program, your survivor may wish to waive survivor income benefits to receive the higher retirement benefit. If you have any

questions about how this waiver provision would apply, contact the salaried personnel department at the GM location where you or your deceased spouse last worked

A surviving spouse can receive a benefit under Part B of the Retirement Program while receiving survivor benefits under the Insurance Program

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## OPTIONAL GROUP LIFE INSURANCE

Optional group life insurance provides life insurance in amounts of \$5,000, \$10,000 or \$15,000 or 1, 2, 3, 4 or 5 times annual base salary. Employees who elect to enroll pay the full cost of optional group life insurance.

### May Optional Group Life Insurance Be Continued After Retirement?

Yes. The amount of optional group life insurance for which you were insured at retirement may be continued to age 65 while your basic life insurance remains in force. You must contribute the full cost of optional group life insurance. The salaried personnel department at the GM location from which you retired can advise you of the current contribution rate for your age group. Rates are subject to change.

### May Optional Group Life Insurance Be Continued After Age 65?

Yes. The amount of optional group life insurance in force on your 65th birthday is reduced by 20% at age 66 and by a like amount

each year to age 70. You are required to contribute for the coverage remaining in force. No optional group life insurance is provided after the end of the month in which you attain age 70.

### May the Beneficiary for Optional Group Life Insurance Be Changed After Retirement?

Yes. You have the right to designate your beneficiary (or beneficiaries). The beneficiary need not be the same as the one designated for your basic life insurance. However, if an applicant owner or assignee is the owner of the optional group life insurance on your life, then the applicant owner or assignee has the right to designate the beneficiary.

Additional information concerning optional group life insurance is available in the folder which describes this coverage.

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## DEPENDENT GROUP LIFE INSURANCE

Dependent group life insurance provides up to \$50,000 of life insurance on an employee's spouse and up to \$10,000 on each eligible dependent child. Employees who elect to enroll pay the full cost of dependent group life insurance.

### May I Continue Dependent Group Life Insurance After Retirement?

Yes. You may continue the dependent group life insurance you had in force as an active

employee if you are enrolled for optional group life insurance and have an eligible dependent. You must contribute the full cost of dependent group life insurance. The salaried personnel department at the GM

location from which you retired can advise you of the current contribution rate for your age group. Rates are subject to change.

### **Is There Any Reduction In the Amount of Dependent Group Life Insurance at Age 65?**

No. If optional group life insurance is continued, dependent group life insurance may be continued without reduction to age 70. You must contribute the full cost of dependent group life insurance.

### **May I Change the Beneficiary on My Dependent Group Life Insurance?**

No. You are the beneficiary for dependent group life insurance. Benefits are payable to you in a lump sum if an eligible dependent should die from any cause while you are enrolled for dependent group life insurance.

An eligible dependent includes your spouse, and dependents over 14 days of age who are eligible to be covered for basic Health Care coverages (excluding sponsored dependents).

Additional information concerning dependent group life insurance is available in the folder which describes this coverage.

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### **What If I Change My Address?**

If you should change your address, it is important that you notify the salaried personnel department at the GM location where you or your deceased spouse last worked. If you are receiving extended disability benefits or a monthly instalment payment of your basic life insurance because of total and permanent disability you also should notify.

Metropolitan Life Insurance Company  
General Motors Disability Claims Section  
Group Life Claims Division (8V)  
One Madison Avenue  
New York, New York 10010

Whenever you write to the GM location where you last worked or to Metropolitan Life, you should include your Social Security number and claim number, if any.

### **May I Continue My Personal Accident Insurance After Retirement?**

Yes. Personal accident insurance may be continued on yourself and any eligible dependents for your lifetime, by paying the required premiums. However, after you are age 70, insurance in force on each person insured may not exceed \$50,000. Detailed

information concerning personal accident insurance is contained in the booklet, "Personal Accident Insurance."

### **What Happens to My Basic Life Insurance, Optional and Dependent Group Life Insurance or Personal Accident Insurance If I Fail to Make a Required Contribution?**

If you fail to make a required contribution, your basic life insurance, optional and dependent group life insurance or personal accident insurance will cease at the end of the month preceding the month for which the applicable contribution was due.

### **What Must My Beneficiaries Do to Receive Life Insurance Benefits When I Die?**

*Any beneficiary must make a claim on a form provided for this purpose by General Motors.* The procedure is the same for basic life and extra accident benefits, survivor income benefits, optional and dependent group life benefits and personal accident benefits. To do this, the beneficiary should contact the salaried personnel department at the GM location from which you retired.

## **RETIREMENT PROGRAM BENEFITS IN THE EVENT OF YOUR DEATH**

Following are answers to questions which you may have concerning any survivor benefits that may be payable under the Retirement Program. If you have any additional questions, you may wish to contact the salaried personnel department at the GM location where you or your deceased spouse last worked.

### **In the Event of My Death Are Any Survivor Benefits Payable Under the Retirement Program?**

If you retired on or after January 1, 1962, you may have provided a lifetime benefit for your surviving spouse in the event of your death. The survivor option under Parts A and B of the Program generally became effective at retirement if you then were married. If you did not elect the Part A survivor option, you may have elected the "special" survivor option which is explained on page 29.

### **What Happens to the Part B Contributions When I Die?**

In the event you die prior to receiving the guarantee under Part B of the Program and have not elected a surviving spouse or joint and survivor option under Part B, your designated beneficiary will be paid at least the remaining amount of your contributions plus interest to the date of your death.

### **How Does My Election of a Survivor Option Affect My Benefit?**

Any monthly Part A and Part B retirement benefits are reduced if you have a surviving spouse option in effect. The percent of reduction depends upon the difference in the ages of you and your spouse and your date of retirement.

### **How Much Is the Survivor Benefit Under the Retirement Program?**

The amount of any monthly benefit payable to an eligible surviving spouse generally is based on a percentage of the benefit payable to the retiree. The amount of any monthly

survivor benefit that may be payable is shown on your copy of Forms SRP-117 and SRP-17, Authorizations of Monthly Benefits, which you or your deceased spouse received at the time of retirement. You have been advised of any increases in the amount of the survivor benefits which have occurred since you or your deceased spouse retired.

### **If I Marry for the First Time or Re-Marry After Retirement, Can I Elect a Part A Survivor Option for My New Spouse?**

If you had elected a Part A survivor option for your prior spouse, or were not eligible to elect the option because you were not married when the option would have been effective, you may elect the option for your present spouse. See page 7 for further information.

### **If I Rejected the Survivor Option, Will the Option Be Available to Me at a Later Date?**

No. The surviving spouse option is not available to a retiree who rejects the option while otherwise eligible.

### **If I Retired Before the Age I Could Have a Survivor Option, Will I Be Contacted When Eligible?**

Yes. If you retired prior to attaining the earliest age of eligibility for the survivor option, you will be contacted by General Motors just before the survivor option will become available to you. At that time you must provide proof of your marriage and your spouse's age in order for the option to become effective.

### **Can I Revoke the Part A Survivor Option If My Spouse Dies or We Are Divorced?**

Yes. As indicated on page 7, you must provide GM a copy of the death certificate or certified copy of final court decree of divorce. Revocation of the Part A survivor option is effective the first of the third month following receipt by General Motors of evidence satisfactory to General Motors of your spouse's death or your divorce.

### **What Is a "Special" Survivor Option?**

In 1968 certain retirees who did not have a regular Part A survivor option in effect were given an opportunity to elect a special survivor option to provide survivor benefits for

their designated spouse. This special option, if elected, now provides a lifetime monthly survivor benefit of \$4.50 for each year of the deceased retiree's credited service, reduced if the employee retired early at his or her option.

### **Must My Survivor Apply In Order to Receive Any Survivor Benefits Under the Retirement Program?**

No. If you die while the surviving spouse option is in effect, survivor benefits under the Retirement Program become payable automatically on the first of the month following the month in which you die. However, survivor benefits under Part A of the Retirement Program are not payable for any month for which survivor benefits are payable under the Insurance Program (see page 25).

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## **HEALTH CARE BENEFITS IN THE EVENT OF DEATH**

Set forth below are answers to questions that have been asked concerning Health Care benefits available to your survivors. If you have any additional questions, you may wish to contact the salaried personnel department at the GM location where you or your deceased spouse last worked.

### **Will Health Care Coverages Be Continued for My Survivors When I Die During Retirement?**

When you die during retirement, your surviving spouse will be eligible for continued Health Care coverages (except vision care prior to October 1, 1980). These coverages may be continued for your surviving spouse and your eligible dependent children.

General Motors will continue to pay the full cost of basic coverages and most of the cost of comprehensive medical expense insurance coverage. However, if you retired voluntarily as early as age 55 and prior to age 60 and your combined years of age and credited service totaled less than 85, your surviving spouse will be required to pay the full cost of these coverages.

Coverages will be continued for the lifetime of the surviving spouse of a deceased retiree even if the surviving spouse remarries.

A surviving spouse age 65 or older who is eligible but not enrolled for Medicare Part B coverage is not eligible for GM payment for any Health Care coverages.

### **My Spouse Died While Employed. Am I Eligible for Health Care Coverages?**

If your deceased spouse was eligible to retire voluntarily under the Retirement Program at the time of death, Health Care coverages for you and your eligible dependent children will be continued in the same manner as they would be continued for the survivors of an individual who died during retirement.

If your deceased spouse died as a result of accidental bodily injury sustained on or after September 17, 1979, caused solely by employment with General Motors or was *not* eligible to retire voluntarily at the time of death occurring on or after January 1, 1974, but had elected the surviving spouse option under Part B of the Retirement Program and had at least 10 years of credited service, you and your eligible dependent children are

eligible for continued Health Care coverages (except vision care prior to October 1, 1980). General Motors will continue to pay for basic Health Care coverages and for most of the cost of comprehensive medical expense insurance coverage. However, coverages will cease if you remarry or die. You must be enrolled for Medicare Part B if you are age 65 or older in order for GM to pay for any Health Care coverages.



## If You Are Disabled

If you were disabled at the time you retired, you may be receiving extended disability benefits under the Insurance Program. You also may be eligible for a monthly instalment payment of your basic life insurance. If you become disabled after you retire, you will not be eligible to receive extended disability benefits. You may, however, be eligible for a monthly instalment payment of your basic life insurance if you become totally and permanently disabled before age 60 and meet certain other eligibility requirements. The benefits available to you are those provided under the Insurance Program in effect when you last worked for General Motors.

If you were retired under the total and permanent disability provisions of the Retirement Program, your retirement benefits are discussed on page 6. If you become disabled after you retire, your type of retirement will not change, but you may have changes in your retirement benefits as discussed on pages 4, 5 and 6.

Set forth below are answers to questions concerning extended disability and total and permanent disability benefits that may be payable under the Insurance Program. If you have a specific question about extended disability benefits or a monthly instalment payment of basic life insurance that is not answered here, you may wish to contact the salaried personnel department at the GM location where you last worked.

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### EXTENDED DISABILITY BENEFITS

#### **If I Am Receiving Extended Disability Benefits, How Do I Continue to be Eligible?**

You must submit proof of your continuing disability as requested by the Insurance Company.

If you last worked on or after January 1, 1968, but before January 1, 1974, you must be totally and continuously disabled so as to be unable to engage in any gainful occupation or employment for which you are reasonably qualified by education, training or experience. If you last worked on or after January 1, 1974, you must be totally and continuously disabled so as to be unable to perform in regular employment at the GM location

where you last worked. In any event, you must not be regularly employed. If you recover or become regularly employed, your benefits will be discontinued.

#### **What Is the Maximum Period Extended Disability Benefits Will Be Payable?**

If you continue to be disabled (as described opposite), monthly extended disability benefits are payable for a period equal to your years of participation under the Insurance Program at the beginning of your disability less the period for which you received sickness and accident benefits. Extended disability benefits generally are not payable beyond age 65. However, effective January 1, 1979, if you become disabled at or after age 63 and

become eligible for extended disability benefits, benefits are payable for up to 12 months, but not beyond age 70

### **How Is the Amount of My Extended Disability Benefit Determined?**

The amount of your monthly extended disability benefit is 60% of your monthly base salary in effect at the time you last worked prior to becoming disabled (50%, if you last worked before January 1, 1974)

*Extended disability benefits are reduced by any Part A benefits and Part B supplementary benefits (see pages 3 through 5) for which you are eligible under the Retirement Program and by any benefit for which you are eligible under a GM Pension Plan. In addition, governmental benefits such as workers compensation, certain Social Security benefits or any federal or state lost-time disability benefits are deductible. Increases in your governmental benefits, or any increase in your pension or retirement benefits payable after September 30, 1976, after extended disability benefits commence, will not be deducted. However, if the increase represents an adjustment in the original determination of the amount of such benefit, the increase will be deducted.*

### **What Effect Does Entitlement to Social Security Have on My Extended Disability Benefits?**

Monthly extended disability benefits are reduced by Social Security disability or old-age insurance benefits to which you may be entitled for the same period. Extended disability benefits are not reduced for receipt of old-age benefits reduced because of the age at which received

### **If I Am Receiving Extended Disability Benefits and I Become Eligible for Social Security Benefits, What Should I Do?**

*You should immediately submit a copy of the notice you receive from Social Security that tells you the amount of benefits and the date you became eligible to:*

Metropolitan Life Insurance Company  
General Motors Disability Claims Section  
Group Life Claims Division (8V)  
One Madison Avenue  
New York, New York 10010

*This notice is necessary to avoid an overpayment of extended disability benefits which you would have to repay. Notification also is necessary to provide you with additional benefits if your benefits have been reduced by a presumed amount of Social Security that is greater than the amount of Social Security to which you are actually entitled.*

### **If a Social Security Award Provides Benefits for a Period for Which I Have Already Received Extended Disability Benefits, What Effect Will This Have on My Extended Disability Benefits?**

*If extended disability benefits have been overpaid, you will be required to repay the Metropolitan Life Insurance Company. Any overpayment may be recovered by reducing your future monthly extended disability benefits or by your direct payment to Metropolitan. You will be notified of the amount to be repaid.*

*If extended disability benefits have been reduced by a presumed amount of Social Security and the amount of Social Security you actually received is less than the amount deducted, you will receive an additional amount from Metropolitan.*



## **MONTHLY INSTALMENT PAYMENTS OF BASIC LIFE INSURANCE BECAUSE OF TOTAL DISABILITY**

### **If I Should Become Totally and Permanently Disabled After Retirement, Will I Be Eligible for Any Other Benefits Under the Insurance Program?**

If you are insured for basic life insurance (as described on page 23), you may be eligible to receive a monthly instalment payment of your basic life insurance if you become totally and permanently disabled before age 60 and meet certain other eligibility requirements.

To be eligible for a monthly instalment payment of your basic life insurance you must have last worked

- prior to January 1, 1974 and have 10 or more years of participation when you become totally and permanently disabled, or
- on or after January 1, 1974 and have less than 10 years of participation when you become totally and permanently disabled.

### **How Do I Apply for a Monthly Instalment Payment of Basic Life Insurance If I Become Totally and Permanently Disabled Before Age 60?**

*You should make a claim immediately on a form provided for this purpose by General Motors.* Claim forms are available at the GM location from which you retired. You also must submit proof of your disability as requested by the Insurance Company. If you need help in completing a claim form, contact the salaried personnel department at the GM unit from which you retired.

### **If I Am Eligible for a Monthly Instalment Payment of My Basic Life Insurance, How Will It Be Paid?**

If you apply and are eligible for a monthly instalment payment of basic life insurance (as

described previously), your basic life insurance will be canceled. An amount equal to the amount of basic life insurance you had in force when you became disabled, but not in excess of \$100,000, will be paid. If you last worked on or after January 1, 1974, such payment will be made in monthly instalments in an amount equal to the final monthly extended disability benefit amount payable. If you last worked prior to January 1, 1974, such payment will be made in 50 monthly instalments at a monthly rate of \$20 for each \$1,000 of basic life insurance.

### **When Will the Monthly Instalment Payment of My Life Insurance Start?**

Generally, the monthly instalment payment of basic life insurance to which you may be entitled because of total and permanent disability commences as soon as the Metropolitan Life Insurance Company approves your claim. The monthly instalment payment of life insurance will be deferred until extended disability benefits are no longer payable, unless you permanently waive your right to receive extended disability benefits.

### **If I Have Received or Am Receiving a Monthly Instalment Payment of My Basic Life Insurance, Will Any Further Benefit Be Payable to My Beneficiary When I Die?**

Yes. If you receive an amount equal to your life insurance in instalments, a benefit of \$500 will be payable to your beneficiary at the time of your death. If you die before receiving all of the instalments, your beneficiary would receive the unpaid balance but in no case less than \$500.

**If I Am or Become Totally and Permanently Disabled but I Am Not Eligible for a Monthly Instalment Payment of My Basic Life Insurance Under the Eligibility Requirements, What Happens to My Basic Life Insurance?**

If you are or become totally and permanently disabled but you are not eligible for the monthly instalment payment of your basic life insurance, any basic life insurance for which you are insured will be continued without cost to you to age 65. At age 65, your life insurance will start reducing as explained on pages 23 and 24.

**If the Insurance Company Questions Whether I Continue To Be Disabled for Extended Disability Benefits or a Monthly Instalment Payment of My Basic Life Insurance, What Must I Do?**

You may be asked to be examined by a doctor, clinic, or other medical authority for the purpose of verifying disability at any time you may be eligible to receive extended disability benefits or a monthly instalment payment of basic life insurance. Generally, if you are found to be able to work, your benefits will be discontinued. Failure to report for the examination may affect your eligibility for benefits. You will be reimbursed at 17¢ per

mile for travel to and from the examination if your residence is 40 or more miles (one-way) from the examiner's office.

**If I Am Eligible for a Monthly Instalment Payment of My Basic Life Insurance Because of Total and Permanent Disability, but the Amount of My Basic Life Insurance Exceeds \$100,000, What Happens to the Amount Over \$100,000?**

If you last worked on or after January 1, 1974, the amount of your basic life insurance in excess of \$100,000 will be canceled immediately prior to the commencement of the monthly payments and you will be entitled to convert at your expense all or part of the excess amount to an individual policy during the 31 days following cancellation of your insurance coverage. If you decide to convert such insurance, any type of life insurance policy, except term insurance, then being issued by the Metropolitan Life Insurance Company may be selected. Application may be made at any local office of the Metropolitan Life Insurance Company or at its home office, One Madison Avenue, New York, New York 10010.

If you last worked prior to January 1, 1974, the amount of your basic life insurance in excess of \$100,000 will be continued subject to reductions when you reach age 65 as described on pages 23 and 24.

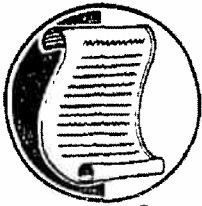
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**What If I Change My Address?**

If you change your address, you should notify the GM location where you or your deceased spouse last worked. If you are receiving extended disability benefits or a monthly instalment payment of your basic life insurance because of total and permanent disability, you also should notify

Metropolitan Life Insurance Company  
General Motors Disability Claims Section  
Group Life Claims Division (8V)  
One Madison Avenue  
New York, New York 10010

Whenever you write to the GM location where you or your deceased spouse last worked or to Metropolitan Life, you should include your Social Security number and your claim number, if any.



## Information Related To The Employee Retirement Income Security Act Of 1974 (ERISA)

### What Are the Types of Plans Under Which Benefits Are Provided?

The GM Retirement Program is a defined benefit plan providing trustee and insured retirement benefits to employees who retire, and to their eligible survivors. The GM Insurance Program is an insured welfare benefit plan providing life and disability insurance to retirees, as well as Health Care coverages to retirees and their eligible dependents.

Payment of retirement trustee benefits is provided through the National Bank of Detroit. All life and disability insurance and Retirement Program insured benefits, as well as basic Health Care coverages for certain retirees, are provided through the Metropolitan Life Insurance Company. Health Care coverages for other retirees are provided through additional insurance companies, a number of local plans providing these coverages, and health maintenance organizations. General Motors is responsible for administration of the plans described herein.

### Who Pays for My Benefits?

General Motors pays the full cost of Part A of the Retirement Program. General Motors also pays the full cost of any basic life insurance continued in retirement (except as noted on page 23). In addition, General Motors contributes most of the cost of Part B of the Retirement Program and the Comprehensive Medical Expense Insurance Program.

Moreover, General Motors pays the full cost of any basic Health Care coverages that are continued for most retired employees and for eligible surviving spouses and their eligible dependents. A surviving spouse age 65 or older who is eligible but not enrolled for Part B Medicare coverage is not eligible for General Motors payment for any Health Care

coverages. Retired employees pay the full cost of Health Care coverages for sponsored dependents. The cost is determined by the applicable carrier.

Other coverages made available by General Motors, the full costs of which are borne by retirees, are optional group life insurance, dependent group life insurance, and personal accident insurance.

### When Does the Plan Year End?

December 31 is the end of the plan year for the Insurance Program. Records of this plan are kept on a calendar year basis. The Retirement Program plan year ends on September 30. Retirement Program records are kept on a fiscal year basis ending September 30.

### Who Is the Named Fiduciary?

The Finance Committee of General Motors Corporation is the named fiduciary of the plans described in this booklet.

### Who Is the Administrator?

General Motors Corporation is the sponsoring employer and administrator of the benefit plans described in this booklet. The administrator's address is Room 13-266, General Motors Building, Detroit, Michigan 48202.

### What Are the Identification Numbers?

General Motors' employer identification number is 38-0572515. The Retirement Program identification number is 001. The Insurance Program identification number is 501. The Comprehensive Medical Expense Insurance Program identification number is 504.

## **What About Serving of Legal Process?**

Service of legal process on General Motors Corporation may be made at any office of the CT Corporation. The CT Corporation, which maintains offices in all 50 States, is the statutory agent for service of legal process on GM. The procedure for making such service generally is known to practicing attorneys. Service of legal process also may be made upon the administrator at Room 15-253, General Motors Building, Detroit, Michigan 48202.

persons who are responsible for the operation of employee benefit plans. These persons are referred to as "fiduciaries" in the law. Fiduciaries have a duty to operate benefit plans prudently and in the interest of you and other plan participants and beneficiaries.

If your claim for a benefit is denied in whole or in part you will receive a written explanation of the reason for the denial. You have the right to a review and reconsideration of your claim.

## **What Are My Rights as a Participant?**

As a participant in General Motors' benefit plans you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled by law to:

Examine, without charge, at the plan administrator's office and at other locations, all plan documents, including insurance contracts, collective bargaining agreements and copies of all documents filed by the plan administrator with the U.S. Department of Labor, such as annual reports and plan descriptions.

Obtain copies of all plan documents and other plan information upon written request to the plan administrator. The administrator may make a reasonable charge for the copies.

Receive a summary of the plan's annual financial report.

If you request materials and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$100 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court.

If you should file suit for any reason, the court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

## **What Are the Fiduciaries' Responsibilities?**

In addition to creating rights for plan participants, ERISA imposes duties upon the

If you have any questions about this statement or about your rights under ERISA, you may wish to contact the nearest Area Office of the U.S. Labor-Management Services Administration, Department of Labor.

## Who Are the Trustees?

Trustees of the Retirement Program, who accumulate assets through which trustee retirement benefits (Part A and Part B supplementary) are provided, are as follows

American National Bank &  
Trust Company of Chicago  
33 LaSalle Street  
Chicago, Illinois 60690

Ameritrust  
900 Euclid Avenue  
Cleveland, Ohio 44101

Bank of America, N T & S A  
Bank of America Center Box 37000  
San Francisco, California 94137

Bankers Trust Company  
280 Park Avenue  
New York, New York 10017

Chase Manhattan Bank, N A  
1211 Avenue of the Americas  
New York, New York 10036

Citibank  
153 East 53rd Street  
New York, New York 10022

Harris Trust & Savings Bank  
111 West Monroe Street  
Chicago, Illinois 60690

Mellon Bank, N A  
Mellon Square  
Pittsburgh, Pennsylvania 15230

Morgan Guaranty Trust Company of N Y  
9 West 57th Street  
New York, New York 10019

National Bank of Detroit  
611 Woodward Avenue  
Detroit, Michigan 48232

The First National Bank of Boston  
PO Box 1882  
Boston, Massachusetts 02105

The First National Bank of Chicago  
One First National Plaza  
Chicago, Illinois 60670

Wells Fargo Bank, N A  
PO Box 44029  
San Francisco, California 94144

Insured retirement benefits (Part B primary) are provided  
through the following insurance companies

Aetna Life Insurance Company  
151 Farmington Avenue  
Hartford, Connecticut 06115

Metropolitan Life Insurance Company  
One Madison Avenue  
New York, New York 10010

Prudential Life Insurance Company  
Prudential Plaza  
Newark, New Jersey 07101

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## What Benefits Are Guaranteed?

Certain benefits under the GM Retirement Program are guaranteed by the Pension Benefit Guaranty Corporation (PBGC) if the plan terminates. However, the PBGC guarantees only normal-age retirement benefits, early retirement benefits (up to the amount accrued for normal retirement), and certain disability and survivor's pensions.

The PBGC guarantees vested benefits at the level in effect on the date of plan termination

However, if benefits have been increased within five years before plan termination the benefit increases may not be guaranteed. No benefit increase that has been in effect for less than 12 full months before the plan terminates is guaranteed. Moreover, there is a statutory ceiling on the amount of an

individual's monthly benefit that PBGC guarantees. You may wish to address any inquiries you may have to The Pension Benefit Guaranty Corporation, 2020 K Street N.W., Washington, D.C. 20006 (phone # (202) 254-4817).

### **What If My Application for Benefits Is Denied?**

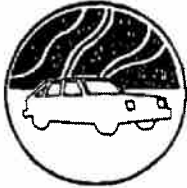
If your application for benefits is denied in whole or in part, written notice will be made to you as soon as practicable, but no later than 90 days after receipt of your application. This notice will include specific reasons for the denial and will refer to the plan provisions upon which the denial is based. The notice also will include a description of any additional information that may be needed if the claim is to be resubmitted.

An explanation of the procedure by which you may have your denied claim reviewed

also will be included in the notice. The review procedure is summarized below.

### **Claim Review Procedure**

Within 60 days after you receive the notice that your claim is denied in whole or in part, you may make a written request to have your claim reviewed. As part of the review you may submit any written comments that you feel may support your claim. You also may review pertinent documents related to your claim. A written decision on your request for review will be furnished to you within 60 days (120 days if special circumstances require an extension of time) after your written request for review is received. This written decision on the review will include the specific reasons for the decision and will set forth specific reference to plan provisions upon which the decision is based.



## Before You Purchase A New GM Vehicle

As a salaried retiree, or the surviving spouse of a salaried retiree or employee, you are eligible to purchase new GM vehicles under the Maximum Product Discount Plan

Answers to the most commonly asked questions concerning this program are set forth below. If you do not find an answer to your specific question or if you wish to secure the required application form, you should contact the product discount coordinator in the salaried personnel department at the GM location where you or your deceased spouse last worked

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### What Are the General Eligibility Rules for the Maximum Product Discount Plan?

- In order to be eligible to purchase a new GM vehicle under the Maximum Product Discount Plan, you must be retired under the provisions of the Salaried Retirement Program or be the surviving spouse of a salaried employee or salaried retiree. Separated employees who are receiving deferred vested benefits under the Retirement Program are not eligible. Surviving spouses who have remarried also are not eligible.
- You must take delivery of your new vehicle through a franchised GM dealer.
- *You are certified as eligible for a product discount when ordering a vehicle through the GM location where you or your deceased spouse last worked. Application forms for new vehicles must be secured from the product discount coordinator in the salaried personnel department at the GM location where you or your deceased spouse last worked.*
- You must retain any vehicle purchased under the plan at least until the end of that vehicle's model year production run (August 1 of each year), but in no case less than six months from the date of delivery
- In order to be eligible for a discount, all vehicles purchased must be for the personal use of the retiree, or surviving

spouse, children of the retiree or surviving spouse who are under 21 years of age or who are full time students, or the retiree's spouse. Title must be in the name of one of these individuals

- The Maximum Product Discount Plan does not apply to leased vehicles, demonstrators, or used vehicles
- A retiree may utilize the Maximum Product Discount Plan for the purchase of more than one vehicle in a model year. A surviving spouse may utilize the Plan for the purchase of one vehicle in a model year.
- The privilege to obtain a discount under the Maximum Product Discount Plan can be withdrawn in instances where the participant has violated the conditions of the Plan. In such cases, the participant first will be contacted individually and asked to explain the circumstances involved
- General Motors may unilaterally modify, change or withdraw this Plan at any time

### What Vehicles Are Eligible for Purchase Under the Maximum Product Discount Plan?

All new cars, light duty trucks and vans may be purchased under the Plan

### **How Do I Use the Maximum Product Discount Plan To Purchase a New Vehicle?**

To purchase a new vehicle under the Maximum Product Discount Plan you must

- Obtain an order form from the product discount coordinator in the salaried personnel department at the GM location where you or your deceased spouse last worked. ***Under this Plan you normally cannot order your vehicle through a GM dealer.*** From time to time, however, General Motors extends to retirees and surviving spouses the opportunity of purchasing specified new vehicles directly from dealer stock if the dealer approves. Since this opportunity is not in effect at all times, you should contact the product discount coordinator before you consider purchasing a vehicle directly from a dealer.
- Complete the order form (you may want to visit a GM dealership for assistance in

selecting the appropriate model, options and accessories)

- Return the order form directly to the product discount coordinator in the salaried personnel department. The coordinator then will forward the form to the applicable car or truck division and you will receive delivery of your new car, truck or van through your local dealer at the maximum product discount price.

### **What Is the Discount Price for a Vehicle?**

The amount of discount varies from vehicle to vehicle depending upon the model and options selected. The product discount coordinator in the salaried personnel department can provide you with the amount applicable to the vehicle you desire to purchase.





Metropolitan Life Insurance Company  
One Madison Avenue, New York, NY 10010 3690

To

Date 06/89

"B"

**Subject** Ultimate Amount of Continuing Life Insurance Under the Provisions  
of the General Motors Life and Disability Benefits Program  
for Retirees With 10 or More Years of Participation

G. W. MCCLEIN  
Retiree's Name

440 14 4781  
Social Security Number

Metropolitan's records show that your Continuing Life Insurance has now fully reduced to the amount of  
\$ 64,750.00. This amount of Continuing Life Insurance will remain in effect for the rest of your life.  
If you are presently contributing toward your Continuing Life Insurance, you will no longer be required to make  
contributions once you attain age 65.

**Important:** Keep this notice with your other valuable papers.

If you have any questions regarding your Continuing Life Insurance, please contact

Metropolitan Life Insurance Company

4000 9 82700



MAR 8 1988

To

Date 12/87

**Subject** Continuing Life Insurance after Age 65 for  
Retirees with 10 or more Years of Participation

G W MCCLAIN

Retiree's Name

440 14 4781

Social { Security  
Insurance } Number

Under the provisions of the General Motors Insurance Program, the amount of your Basic Life Insurance in effect at age 65 is reduced by 2% starting with the first month following your 65th birthday. Your insurance continues to be reduced by the same amount each month until the fully reduced amount of your Continuing Life Insurance is reached. This fully reduced amount of your Continuing Life Insurance remains in effect, without cost to you, for the rest of your life.

Your insurance records, as maintained by Metropolitan Life Insurance Company, show the following information:

- A Amount of your Basic Life Insurance in effect at age 65 \$ 1,000,000.00
- B Month and year of your 65th birthday 10/87
- C Amount of each monthly reduction (2% of Item A) \$2,000.00
- D Month and year of first reduction 11/87
- E Fully reduced amount of your Continuing Life Insurance \$ 64,750.00

**Important.** Keep this notice with your other valuable papers.

If you have any questions regarding your Continuing Life Insurance, please contact

Metropolitan Life Insurance Company  
14000

9 82700

GENERAL MOTORS CORPORATION  
GENERAL MOTORS BUILDING  
DETROIT, MICHIGAN 48202

T A MURPHY  
CHAIRMAN

December 13, 1976

TO BONUS ELIGIBLE EXECUTIVES

By now you and your associates are discussing with classified salaried people under your supervision, General Motors' new package of compensation, policy and benefit plan changes. The members of the Corporation's Executive Committee believe that it is vital that your salaried employees understand the contents and value of this package which continues General Motors in the forefront in American industry in its benefit coverages.

Many of the changes that you will be discussing with your classified employees also improve your own situation. But, before discussing these changes, I want to acknowledge and recognize the tremendous contribution you have made to General Motors' success this year. In a very real sense, many of the changes being made available would simply not have been possible without the significant performance of our bonus group.

Although the books are not yet closed, I do think it is safe to say that for General Motors as a whole, 1976 will be one of our best bonus years. It is a pleasure to face such a prospect, but, at the same time, I want to stress that the bonus fund distribution to divisions or staffs and the eligible employees within them will be rigorously performance-oriented. This is as it should be -- ours is an incentive system, and the rewards are based on the results, and the results include evaluation of performance against budget and Corporate objectives in all areas of the business. The Executive Committee -- with the full support of the Bonus and Salary Committee -- has deliberately emphasized an approach to bonus administration that is performance-oriented so as to place more emphasis on the individual contributions being made to the current and future success of our business. Certainly the performance of the Corporation and your organization continue to be very important factors. Accordingly, in this year of great effort and good fortune, I am confident that your personal contribution will be recognized fairly.

- 2 -

Similarly, salary administration for you in the bonus group throughout the months ahead also will be approached from a philosophy of individual treatment rather than on an across-the-board basis. It is General Motors' basic intent to pay its executive group competitive salaries on a basis hand tailored to the individual executive's own performance. Accordingly, I want you to know that the manager responsible for your unit as well as the Executive Committee are now committed to carefully reviewing and considering your own salary situation on a basis not restricted by formulas. This approach, rather than a uniform increase, or changes based on actions of other companies, or the treatment provided some other group of our own employees, maximizes the probability of fair treatment for individuals of widely varying performance and responsibility. We believe that this is the way you, as members of the highly select bonus group, prefer to be treated.

With respect to benefits improvements, the liberalizations to the existing Savings-Stock Purchase, Retirement, Insurance and Comprehensive Medical Programs, described in the leaflets made available, apply to you as well as to your classified associates. The most costly of these improvements to the Corporation - the increased retirement benefits, the decreased retirement contributions, and the increased matching Corporation contributions under the Savings-Stock Purchase Plan - all have a particularly favorable impact on you and your associates in the bonus group because of your relative tax position, higher salaries, and generally greater participation in these programs.

One key improvement, effective for bonus eligibles on the roll as of January 1 (but not for classified salaried or hourly-rate employees), provides a new policy of Corporation-paid group life insurance coverage of three times annual base salary. This will be in addition to the current Corporation-paid basic coverage of two times annual salary, thereby increasing the amount of Corporation-paid coverage to five times annual salary rate. It is also in addition to any optional group life coverage that you may now have. If you choose to cancel some of that coverage, the new policy can serve to reduce your personal outlay for GM Optional Group Life Insurance premiums. At the same time, the new coverage will have an extremely favorable impact on your estate-building situation. One of the primary reasons for this favorable effect is that, unlike current life insurance coverages which reduce or eventually terminate after age 65, there will be no reduction after age 65 in the life insurance under this new Corporation-paid policy. (The continuation provisions after retirement of this new coverage will be phased-in over the next 50 months.) At the outset, the cost of this coverage to GM is estimated to be approximately 5% of salary.

Your General Motors' benefits coverage is now equivalent, in terms of cost to the Corporation, to about 40% of a bonus eligible employee's base salary rate.

In view of these extensive changes as well as your eligibility for bonus consideration, and other programs not available to classified salaried or hourly-rate employees, the Employee Stock Ownership Plan and the Supplemental Time Off Plan approved for the classified group will not apply to the bonus eligible group. In the final analysis we do have a business to manage and it is up to the executive group to provide the leadership. I wanted you to know of this decision.

In summary, it is the belief of the Executive Committee that all General Motors employees and especially our executive group have a package of compensation arrangements, benefits and personnel policies that is second to none. These plans and policies have been designed with great care, and I am pleased to be able to tell you about them at this time. In closing may I add that the members of the Executive Committee and I wish you a Happy Holiday Season and again extend our thanks for a job well done.

Sincerely,

A handwritten signature in dark ink, appearing to read "R. A. Murphy". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.



"D"

General Motors Corporation  
Employee Benefits and  
Human Resources Operations  
Mail Code 482-C26-A68  
300 Renaissance Center  
Detroit, Michigan 48265-3000  
USA

Fax # (313) 665-6728

September 1, 2009

George W McClain  
3022 Imperial Valley Dr  
Little rock, AR 72212

Dear Mr. McClain

This letter is in response to your correspondence dated August 17, 2009, regarding the 2009 changes under the General Motors Life and Disability Benefits Program for Salaried Employees

As indicated in the e-mails that you exchanged with Ava Aubrey of this staff, all salaried retirees, including executives, had their Basic Life Insurance reduced to \$10,000 and all salaried retired executives had their Supplemental Life Benefit or Supplemental Group Life Insurance cancelled

Please accept my best wishes as you continue in retirement

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Johnson".

Jeffrey W. Johnson, Director  
Disability, Life and Layoff Programs

August 17, 2009

Mr. Jeffrey W. Johnson, Director  
Disability, Life and Layoff Programs  
General Motors Corporation  
Mail Code 482-C26-A68  
300 Renaissance Center  
Detroit, Michigan 48265-3000

Dear Mr. Johnson:

I appreciate receiving your letter of August 7 which was in response to a letter I sent Mr. Henderson June 9.

I want to point out, which I can document, that there was no "Reservation of Rights Clause" in any of the retirement documents provided me when I retired July 1, 1984. That is true of the "Benefits in Retirement Booklet, the written offer I received explaining the benefits of a mutually satisfactory retirement, the "Statement of Acceptance of Mutually Satisfactory Retirement" which I signed and the two letters I have from MetLife that state the "ultimate" and "final" reduction had been made in my retirement life insurance.

Had I known that the benefits I was offered were to be withdrawn then I would have worked three more years and received a substantially higher retirement pension. Our mutually satisfactory retirement written contract provided a consideration to both parties. GM received a savings in salary expense and I supposedly was to receive certain health coverages and life insurance. GM got their consideration but I did not get mine.

I did receive the letter from MetLife about the Voluntary Life Insurance Program but in my case using their rate for age 87 it is totally unrealistic. I would have to pay \$1050.40 per month for \$100,000 of coverage and that would increase every year. Relate that to my GM retirement of \$3043.20 per month and you can see why it is unrealistic.

One question which Emoloye Benefits and Human Resources Operations seem reluctant to answer is whether all retired Executive Officers including Chairmen and Presidents who may still be living are also limited to a total of \$10,000 life insurance including basic and all supplemental life insurance. Please answer that question for me.

Sincerely,

George W. McClain  
3022 Imperial Valley Dr.  
Little Rock, AR 72212



**U S Executive Retiree Benefit Modifications**

Monday, June 8, 2009 6:41 PM

From: "hrcommunications@gm.com" <hrcommunications@gm.com>  
To: Master\_Exec\_Retirees\_60809\_\_1@gm.com

Dear GM Executive Retiree

As part of GM's announcements on June 1st, we acknowledged some of the significant sacrifices that our salaried employees and retirees will be making to support the reinvention of General Motors. In addition to announcing changes to the amount of non-qualified pension payments for currently retired executives while we are in chapter 11, I also communicated that we would be reducing the obligations for certain retiree benefits by roughly two-thirds.

We have now finalized the changes that we need to make in order to achieve the required two-thirds reduction. As promised, I am sharing this information with you as quickly as possible. These are very difficult changes to make, but unfortunately necessary to position the New GM to win - and win now. These changes are described below. As always, all benefits are at all times subject to the terms of each plan.

**Executive Retirement Plan**

Currently, all executive retirees with an Executive Retirement Plan ("ERP", formerly SERP) benefit have been subject to a reduction of at least 10% since May 1, 2009. A small number of ERP recipients may also be subject to a larger reduction as a result of the "cap" on monthly ERP payments under the chapter 11 court supervised process that commenced on June 1, 2009. As of the sale closing date of the New GM, ERP benefits for current retired executives will be changed as follows:

For retirees with an annual combined Salaried Retirement Plan ("SRP") benefit plus Executive Retirement Plan ("ERP") benefit of \$100,000 or less, the 10% ERP reduction currently in effect will become permanent.

For retirees with an annual combined Salaried Retirement Plan ("SRP") benefit plus Executive Retirement Plan ("ERP") benefit over \$100,000 annually, the portion of the ERP benefit below \$100,000 total (when combined with SRP) will be continue to be reduced by 10%, while the remaining ERP benefit (i.e., the portion above \$100,000 total retirement benefits) will be reduced by two-thirds.

There is no change to the benefits you receive under the Salaried Retirement Plan.

**Supplemental Life Benefits Program**

The Supplemental Life Benefits Program (SLBP) and Supplemental Group Life Insurance Program (SGLI) for executives in retirement are being eliminated. This change will be effective upon the New GM sale closing. Current retired Executives will have an opportunity to purchase supplemental coverage from MetLife and information regarding this program will be provided in the third quarter. No "proof of good health" will be required by MetLife.

**Basic Life Insurance**

For retirees eligible for Basic Life Insurance in retirement (those whose service date was prior to January 1, 1993) the amount of Basic Life Insurance provided by GM is being reduced to \$10,000. This change will be effective upon the New GM sale closing (retirees with less than \$10,000 will remain at that level of life insurance). This change will be effective on the first of the month following the New GM sale closing.

Retirees impacted by these reductions will have an opportunity to supplement their remaining employer provided Basic Life Insurance by enrolling in a Voluntary Life Insurance program through MetLife. This program will not require "proof of good health". Enrollment for this program will be in the third quarter of this year.

During the first two years of participation in the program, the death benefit available will be equal to the amount of the premiums paid. Following two years of premium contributions, the full amount of coverage elected will be payable in the event of your death. Details regarding the program will be mailed to you from MetLife in the third quarter.

**Non Medicare Retiree Health Care**

Effective January 1, 2010, the General Motors Salaried Health Care Program will be further modified for salaried retirees, surviving spouses and their eligible dependents. Individuals impacted by this change include:

- Salaried retirees, surviving spouses and their dependents eligible to enroll or who currently are enrolled in the GM Salaried Health Care Program, and
- Current employees who are eligible to enroll in the GM Salaried Health Care Program upon retirement.

The new plan design will include benefits and coverages for medical and prescription drugs only, and dental, vision, and



U.S. Executive Retiree Benefit Modifications - 'A&T Yahoo' Mail

Page 2 of 2

extended care coverage will be cancelled. Cost sharing provisions (e.g., monthly contributions, deductibles, coinsurance and out of pocket maximums) will increase substantially.

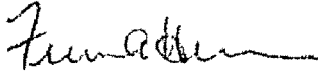
For salaried retirees, the changes will exceed the changes that otherwise would be required under the current salaried retiree cap that was implemented on January 1, 2007. However, this acceleration of cost share is necessary at this time to facilitate GM's restructuring plan.

In this regard, the 2006 caps have been updated to reflect an additional increase in overall cost sharing. Going forward, the revised caps will be the basis for annual plan design changes necessary to maintain capped levels. When the average costs exceed the revised caps established under the 2010 design, then additional plan changes that affect cost-sharing features of program coverage will be implemented.

Please note that the GM Benefits and Services Center and current GM health plan carriers do not have any additional information regarding these announced changes. Further details of these changes will be communicated directly to impacted employees and retirees in the fall as part of the 2010 Annual Enrollment.

I realize the sacrifices that we need to make will be very difficult for you and your families. While the actions we are taking to reinvent GM are many and affect a vast range of stakeholders, the impact on former leaders such as yourself, who dedicated so many years to the service of General Motors, is unquestionably very difficult. Much has changed from the Company I joined over 20 years ago, however, I am confident the many actions we are taking will establish a foundation for the New GM that will win in the future. I appreciate your continued support of GM.

Sincerely,



Frederick A. Henderson  
President and Chief Executive Officer

**The Corporation reserves the right, by and through the Executive Compensation Committee of the Board of Directors or its delegate, to amend, modify, suspend, or terminate its executive plans in whole or in part, at any time.**

**Exhibit 3**

George W. McClain  
3022 Imperial Valley Dr  
Little Rock, Arkansas 72212

Phone: 501-225-7295  
e-mail: GMINC@sbcglobal.net

Retired salaried employee of General Motors  
with unsecured claim for life insurance benefits  
Claim No. 9513, Page 6, Exhibit A, Debtors' 181st Omnibus Objection to Claims

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

<hr/>		
In re	:	Chapter 11 Case No.
	:	
MOTORS LIQUIDATION COMPANY, et al.,	:	09-50026
f/k/a General Motors Corp., et al.	:	
	:	
Debtors.	:	
<hr/>		

Response to the NOTICE OF DEBTORS' 181st OMNIBUS OBJECTION TO CLAIMS  
dated January 26, 2011.

The Debtors contend that benefit modifications claims should be disallowed as Debtors had the right to amend or terminate such benefit plans. To support this contention the Debtors cite plan document summaries dated January 1, 2001 and January 1, 2006 which are 17 years and 22 years subsequent to my retirement.

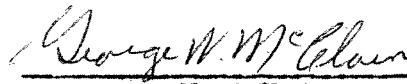
At the time of my retirement July 1, 1984 none of the plan document summaries provided to me contained such a "Reservation of Rights Clause". Furthermore, I was notified in writing by Metropolitan Life Insurance Company in December 1987 and June 1989, writing on behalf of General Motors, that my basic life insurance had been "fully reduced" and "will remain in effect for the rest of your life".

I also received a letter from T.A. Murphy, then Chairman of General Motors, dated December 13, 1976 stating with reference to the supplemental life insurance that "there will be no reduction after age 65".

All of the supporting records I refer to were filed with my claim #9513.

I respectfully request the Court to reject the Debtors request that my claim be disallowed.

Dated: Little Rock, Arkansas  
February 11, 2011

  
George W. McClain

**Exhibit 4**

03561123

APS0688085118



UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK		PROOF OF CLAIM
<p>Name of Debtor (Check Only One)</p> <p><input checked="" type="checkbox"/> Motors Liquidation Company (f/k/a General Motors Corporation)</p> <p><input type="checkbox"/> MLCS, LLC (f/k/a Saturn, LLC)</p> <p><input type="checkbox"/> MLCS Distribution Corporation (f/k/a Saturn Distribution Corporation)</p> <p><input type="checkbox"/> MLC of Harlem, Inc. (f/k/a Chevrolet-Saturn of Harlem, Inc.)</p>		<p style="text-align: center;">Your Claim is Scheduled As Follows.</p> <div style="text-align: center; margin: 20px 0;"> </div> <p>If an amount is identified above, you have a claim scheduled by one of the Debtors as shown. (This scheduled amount of your claim may be an amendment to a previously scheduled amount.) If you agree with the amount and priority of your claim as scheduled by the Debtor and you have no other claim against the Debtor, you do not need to file this proof of claim form, EXCEPT AS FOLLOWS. If the amount shown is listed as DISPUTED, UNLIQUIDATED, or CONTINGENT, a proof of claim MUST be filed in order to receive any distribution in respect of your claim. If you have already filed a proof of claim in accordance with the attached instructions, you need not file again.</p>
<p>Case No</p> <p>09-50026 (REG)</p> <p>09-50027 (REG)</p> <p>09-50028 (REG)</p> <p>09-13558 (REG)</p>		
<p><small>NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case, but may be used for purposes of asserting a claim under 11 U.S.C. § 503(b)(9) (see Item # 5). All other requests for payment of an administrative expense should be filed pursuant to 11 U.S.C. § 503.</small></p>		
<p>Name of Creditor (the person or other entity to whom the debtor owes money or property) <b>GEORGE W MCCLAIN</b></p>	<p><input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim</p> <p>Court Claim Number _____ (If known)</p> <p>Filed on _____</p>	
<p>Name and address where notices should be sent</p> <p><b>GEORGE W MCCLAIN</b> <b>3022 IMPERIAL VALLEY DRIVE</b> <b>LITTLE ROCK, AR 72212-3108</b></p>	<p><input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars</p> <p><input type="checkbox"/> Check this box if you are the debtor or trustee in this case</p>	<p>5 Amount of Claim Entitled to Priority under 11 U.S.C. § 507(a) If any portion of your claim falls in one of the following categories, check the box and state the amount:</p> <p>Specify the priority of the claim</p> <p><input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B)</p> <p><input type="checkbox"/> Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4)</p> <p><input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5)</p> <p><input type="checkbox"/> Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7)</p> <p><input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8)</p> <p><input type="checkbox"/> Value of goods received by the Debtor within 20 days before the date of commencement of the case - 11 U.S.C. § 503(b)(9) (§ 507(a)(2))</p> <p><input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a)( )</p> <p style="text-align: right;">Amount entitled to priority \$ _____</p> <p><small>*Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment</small></p>
<p>Name and address where payment should be sent (if different from above)</p> <p style="text-align: center;"><b>FILED - 21851</b> <b>MOTORS LIQUIDATION COMPANY</b> <b>F/K/A GENERAL MOTORS CORP</b> <b>SDNY # 09-50026 (REG)</b></p> <p>Telephone number <b>501-225-7295</b></p>	<p>1 Amount of Claim as of Date Case Filed, June 1, 2009: \$ <b>43,097.00</b></p> <p>If all or part of your claim is secured, complete item 4 below, however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. If all or part of your claim is asserted pursuant to 11 U.S.C. § 503(b)(9), complete item 5.</p> <p><input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges</p>	
<p>2 Basis for Claim <u>See attached explanation and copies of documents for item #7</u></p> <p>(See instruction #2 on reverse side)</p>		<p>6 Credits The amount of all payments on this claim has been credited for the purpose of making this proof of claim</p> <p>7 Documents Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements or running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 7 and definition of "redacted" on reverse side)</p> <p>DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.</p> <p>If the documents are not available, please explain in an attachment.</p>
<p>3 Last four digits of any number by which creditor identifies debtor <u>4781</u></p> <p>3a Debtor may have scheduled account as _____ (See instruction #3a on reverse side)</p>		
<p>4 Secured Claim (See instruction #4 on reverse side)</p> <p>Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.</p> <p>Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Equipment <input type="checkbox"/> Other</p> <p>Describe: _____</p> <p>Value of Property \$ _____ Annual Interest Rate _____ %</p> <p>Amount of arrearage and other charges as of time case filed included in secured claim, if any \$ _____</p> <p>Basis for perfection _____</p> <p>Amount of Secured Claim \$ _____ Amount Unsecured \$ _____</p>		
<p>Date <u>11-3-09</u></p> <p>Signature The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.</p> <p style="text-align: center;"> <b>George W. McClain</b></p>		
<p style="text-align: right;">FOR COURT USE ONLY</p>		

#### INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules. The attorneys for the Debtors and their court-appointed claims agent, The Garden City Group, Inc., are not authorized and are not providing you with any legal advice.

#### A SEPARATE PROOF OF CLAIM FORM MUST BE FILED AGAINST EACH DEBTOR

PLEASE SEND YOUR ORIGINAL, COMPLETED CLAIM FORM AS FOLLOWS: IF BY MAIL, THE GARDEN CITY GROUP, INC., ATTN: MOTORS LIQUIDATION COMPANY CLAIMS PROCESSING, P.O. BOX 9386, DUBLIN, OH 43017-4286; IF BY HAND OR OVERNIGHT COURIER, THE GARDEN CITY GROUP, INC., ATTN: MOTORS LIQUIDATION COMPANY CLAIMS PROCESSING, 5151 BLAZER PARKWAY, SUITE A, DUBLIN, OH 43017. PROOFS OF CLAIM MAY ALSO BE HAND DELIVERED TO THE UNITED STATES BANKRUPTCY COURT, SDNY, ONE BOWLING GREEN, ROOM 534, NEW YORK, NEW YORK 10004. ANY PROOF OF CLAIM SUBMITTED BY FACSIMILE OR E-MAIL WILL NOT BE ACCEPTED.

THE GENERAL AND GOVERNMENTAL BAR DATE IS NOVEMBER 30, 2009 AT 5:00 P.M. (PREVAILING EASTERN TIME)

#### Court, Name of Debtor, and Case Number.

These Chapter 11 cases were commenced in the United States Bankruptcy Court for the Southern District of New York on June 1, 2009. You should select the debtor against which you are asserting your claim.

#### A SEPARATE PROOF OF CLAIM FORM MUST BE FILED AGAINST EACH DEBTOR

#### Creditor's Name and Address

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. Please provide us with a valid email address. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

#### 1. Amount of Claim as of Date Case Filed.

State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

#### 2. Basis for Claim.

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on the delivery of health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if the debtor, trustee or another party in interest files an objection to your claim.

#### 3. Last Four Digits of Any Number by Which Creditor Identifies Debtor

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor, if any.

#### 3a. Debtor May Have Scheduled Account As:

Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

#### 4. Secured Claim.

Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See DEFINITIONS, below.) State the type and the value of property that secures the claim, attach copies of lien documentation, and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing.

#### 5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507(a).

If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS, below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

For claims pursuant to 11 U.S.C. § 503(b)(9), indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before June 1, 2009, the date of commencement of these cases. (See DEFINITIONS, below.) Attach documentation supporting such claim.

#### 6. Credits:

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the Debtor credit for any payments received toward the debt.

#### 7. Documents.

Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary FRBP 3001(c) and (d). If the claim is based on the delivery of health care goods or services, see instruction 2. Do not send original documents, as attachments may be destroyed after scanning.

#### Date and Signature.

The person filing this proof of claim must sign and date it FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.

#### DEFINITIONS

##### Debtor

A debtor is the person, corporation, or other entity that has filed a bankruptcy case. The Debtors in these Chapter 11 cases are:

Motors Liquidation Company (f/k/a General Motors Corporation)	09-50026 (REG)
MLCS, LLC (f/k/a Saturn, LLC)	09-50027 (REG)
MLCS Distribution Corporation (f/k/a Saturn Distribution Corporation)	09-50028 (REG)
MLC of Harlem, Inc. (f/k/a Chevrolet-Saturn of Harlem, Inc.)	09-13558 (REG)

##### Creditor

A creditor is the person, corporation, or other entity owed a debt by the debtor on the date of the bankruptcy filing.

##### Claim

A claim is the creditor's right to receive payment on a debt that was owed by the Debtor on the date of the bankruptcy filing. See 11 U.S.C. § 101(5). A claim may be secured or unsecured.

##### Proof of Claim

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with The Garden City Group, Inc., as described in the instructions above and in the Bar Date Notice.

##### Secured Claim Under 11 U.S.C. § 506(a)

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be

paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car. A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

##### Section 503(b)(9) Claim

A Section 503(b)(9) claim is a claim for the value of any goods received by the debtor within 20 days before the date of commencement of a bankruptcy case in which the goods have been sold to the debtor in the ordinary course of such debtor's business.

##### Unsecured Claim

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

##### Claim Entitled to Priority Under 11 U.S.C. § 507(a)

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

##### Redacted

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor should redact and use only the last four digits of any social-security, individual's

tax-identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth.

##### Evidence of Perfection

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

##### Acknowledgment of Filing of Claim

To receive acknowledgment of your filing from The Garden City Group, Inc., please provide a self-addressed, stamped envelope and a copy of this proof of claim when you submit the original claim to The Garden City Group, Inc.

##### Offers to Purchase a Claim

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 et seq.), and any applicable orders of the bankruptcy court.

##### Additional Information

If you have any questions with respect to this claim form, please contact Vix Partners at 1 (800) 414-9607 or by e-mail at [claims@motorsliquidation.com](mailto:claims@motorsliquidation.com).

#### INFORMATION

Line No. 2 Basis for Claim

I retired July 1, 1984 after 42 years as a salaried employe of General Motors under a written offer and acceptance retirement contract.

Part of the offer made by General Motors was that various health care coverages would be continued for life for both myself and my spouse.

General Motors has notified me that all of those health coverages have been cancelled.

See attachments "A", "B" and "C"

"A" The offer and acceptance letters and papers I received when retiring July 1, 1984. Note the "Your Benefits In Retirement" booklet does not contain a "Reservation of Rights Clause"

"B" The General Motors "Your Personal Fact Sheet" showing showing health care coverages for which I and my spouse were enrolled in 2008.

"C" The notice from General Motors informing me my health care coverages had been cancelled.

General Motors has reported that their average cost to provide health care benefits for retirees age 65 and older is \$5500.00 per year.

Using the Social Security Actuarial Table Data my claim for loss of these health care benefits is estimated as follows:

My wife and I were both age 86 on January 1, 2009.

	<u>Self</u>	<u>Spouse</u>
Cost to General Motors	\$5500.00	\$5500.00
Less Annual Level Benefit	<u>3600.00</u>	<u>-0-</u>
Estimated annual loss	1900.00	5500.00
Times annual life expectancy	<u>5.03</u>	<u>6.08</u>
	9657.00	32440.00
	9.657.00	
	<u>33,440.00</u>	
Total	43,097.00	

**MOTORS INSURANCE CORPORATION**  
**CIM INSURANCE CORPORATION**

"H"

**INTER-ORGANIZATION LETTERS ONLY**

TO	Mr. G. W. McClain	ADDRESS	Little Rock
FROM	V. K. Quinn	ADDRESS	Executive Office
SUBJECT	Little Rock Restructuring	DATE	February 10, 1984

PERSONAL & CONFIDENTIAL

Further to your discussion and agreements reached with Al Clark, attached are Statements of Acceptance of Mutually Satisfactory Retirement which need to be completed in order to proceed with the applicable details.

Please enter the July 1, 1984 effective date, your signature, and date on two copies of the form and return them to my personal attention.

*V. K. Quinn*  
Vice President

cc: Mr. A. C. Clark

*Bills*  
*Please give me a call when you have a minute. Regards.*  
*Vance*



The following presents general information relative to Benefit Plan coverages subsequent to retirement. Each of the Plans listed has its own terms and conditions which in all respects control the eligibility for continued participation.

GROUP INSURANCE

Basic Life	Continued at Corporation expense for life.	Reduces beginning at age 65.
Extra Accident	Continued at Corporation expense thru age 65.	
Survivor Income Benefits	Continued at Corporation expense thru age 65.	
Sickness and Accident Benefits	Coverage ceases at retirement.	
Optional Group Life	May be continued at employee cost thru age 70.	Reduces beginning at age 66.
Dependent Group Life	May be continued at employee cost in conjunction with continuance of Optional Group Life	

PERSONAL ACCIDENT INSURANCE

May be continued at employee cost.	Maximum of \$50,000 may be continued beyond age 70.
------------------------------------	---

HOSPITAL-SURGICAL-MEDICAL and PRESCRIPTION DRUG

Continued for life at Corporation Expense.	Extended to Surviving Spouse for life at Corp. expense.
--	---

DENTAL PLAN

Continued for life at Corporation Expense.	Extended to Surviving Spouse for life at Corp. expense.
--	---

CMEIP

4

Continued for life - employee pays (\$4.00 single, \$10.85-two party, \$14.25-family)	Extended to Surviving Spouse for life - spouse pays applicable rates.
---	---

VISION CARE

Continue for life at Corporation Expenses.	Extended to Surviving Spouse for life at Corporation Expenses.
--	--

SSPP

Fully earned at retirement	Lump sum settlement may be deferred until January following the year of retirement.
----------------------------	---

VACATION

Full vacation entitlement is earned at the end of the year preceding the year of retirement. This does not apply to retirements effective January 1 since employment in such cases terminates effectively at the end of the last working day in December. Since vacation entitlement must be taken as time off, the effective date of retirement should be scheduled accordingly. A vacation allowance in lieu of time off cannot be paid.

DISCOUNT PRIVILEGES

These privileges in effect for the employee while active, will be extended into retirement. Extended to Surviving Spouse until he or she remarries.

Complete Details regarding Benefit Plan Continuation Privileges are contained in the enclosed booklet, "Your Benefits In Retirement"

STATEMENT OF ACCEPTANCE OF MUTUALLY SATISFACTORY RETIREMENT

As a result of discussions between Management and myself concerning the possibility of retiring under the Mutually Satisfactory Retirement provisions of the General Motors Retirement Program for Salaried Employees, I have evaluated the benefits applicable to me under the provisions of the Program and am agreeable to retirement on a Mutually Satisfactory basis effective July 1, 1984.

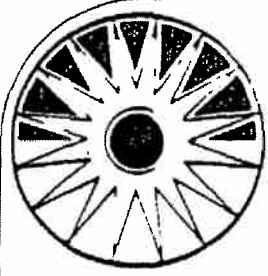


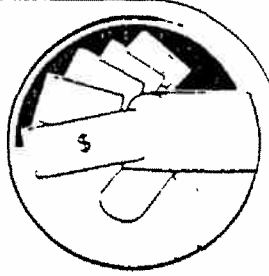
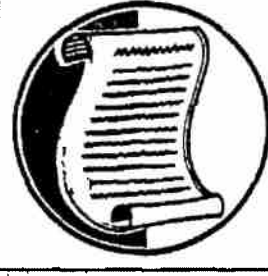
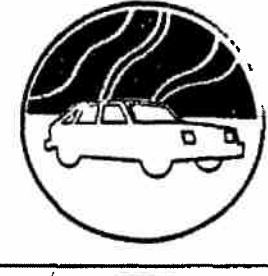

I understand that implementation of this retirement is subject to the necessary approvals.

Signed

George H. McChesney

Date

7-11-84

			
	<h1>YOUR BENEFITS IN RETIREMENT</h1> <p>For General Motors Salaried Retirees and Eligible Survivors</p>		
			
			

**As a General Motors salaried retiree eligible to receive benefits under the GM Retirement Program for Salaried Employees, you have one of the finest, most comprehensive retiree benefit programs in industry. This booklet is designed to answer your questions concerning the ways in which your GM benefits can help you and your dependents. *It should be kept available as a reference source to answer your questions.* The booklet also discusses Social Security benefits in general terms. The information in this booklet will help you to understand the protection available to you as a GM retiree and to your eligible survivors.**

Information in this booklet applies to General Motors salaried retirees and their eligible dependents. This booklet does not apply to individuals who terminated their employment with General Motors prior to being eligible to retire but who may be eligible to receive a deferred vested retirement benefit.

Some, but not all, of the information in this booklet also applies to eligible surviving spouses of deceased employees or retirees. Information applicable to eligible surviving spouses is so noted in the text of the booklet.

After reading this booklet you may have a specific question which is not answered. If so, you may wish to contact the salaried personnel department at the GM location where you or your deceased spouse last worked.

Each of the benefit plans has its own terms and conditions which in all respects control the eligibility and payment of benefits mentioned. The payment of benefits is conditioned, of course, upon your eligibility to receive them.

From time to time you may receive information concerning changes in your benefits. You may wish to keep the information you receive with this booklet so that you always will have up-to-date information concerning your benefits readily available.

## How To Find The Information You Want



**Your Retirement Income ..... 3**



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**A Check List Of Important Items  
To Remember ..... 41**

**If you have a specific question about your retirement, health or life insurance benefits, you may wish to contact the salaried personnel department at the GM location where you or your deceased spouse last worked. For your convenience, the correct address is shown on the stub of your monthly retirement check.**



## Your Retirement Income

Any retirement benefits you may be eligible to receive as a General Motors retired employee or surviving spouse are based on the provisions of the Salaried Retirement Program in effect when you or your deceased spouse retired. However, the benefit amounts have been increased from time to time depending on the date you or your deceased spouse retired.

Your GM Retirement Program is made up of two parts — Part A and Part B.

Any Part A benefits which you may be receiving are non-contributory. The entire cost of providing these benefits is paid for by General Motors. The benefits provided under Part A of the Program are comparable to those provided under the hourly-rate employees' pension plan.

Any Part B benefits which you may be receiving are in addition to any Part A benefits which you may be receiving. To be eligible for Part B benefits you must have contributed while eligible and left your contributions in the Program until retirement. Part B consists of two components — primary benefits, which are based on the amount you contributed, and supplementary benefits, which are based on your average salary at retirement. While you must have contributed in order to have participated in Part B of the Program, General Motors pays the entire cost of the supplementary benefit and most of the cost of the primary benefit.

Further information regarding benefits which may be payable to your surviving spouse in the event of your death begins on page 28 of this booklet.

Retirement Program benefits generally are in addition to Social Security benefits (see pages 9 and 10). References to Social Security in this booklet are based on the federal law in effect in January 1980. Any questions you may have regarding Social Security should be referred to your local Social Security office.

Below are answers to questions which have been asked by retirees and surviving spouses. If you do not find answers to your specific questions, you may wish to contact the salaried personnel department at the GM location where you or your deceased spouse last worked.

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### What Determines the Amount of My Retirement Benefits Under Part A of the Retirement Program?

The items used in the calculation of your monthly Part A retirement benefit include the following:

- Type of retirement
- Date of retirement
- Benefit rate
- Number of years of credited service

- Age at time of retirement
- Whether you elected the Part A surviving spouse option.

The information used to calculate your monthly retirement benefit is set forth on your copy of Form SRP-117, Authorization of Monthly Part A Benefits and Part B Supplementary Benefits. This form shows how your retirement benefits were calculated. A signed copy of this form was given to you or your deceased spouse at retirement.

You are notified of any adjustments to your Part A retirement benefits after you retire by letters showing revised benefit amounts. Such letters should be kept with your Form SRP-117.

### **What Are the Various Parts of My Part A Retirement Benefit?**

Each monthly Part A retirement benefit is composed of one or more of the following

- Basic benefit (see below)
- Supplement (see below)
- Temporary benefit (see page 5)
- Special benefit (see page 5)

### **What Is a Part A Basic Benefit and How Is It Determined?**

The basic benefit is a non-contributory lifetime benefit payable to a retired employee. It also is the amount on which any Part A survivor's benefit is based.

The basic benefit amount is determined by multiplying the basic benefit rate currently in effect by your years of credited service. This benefit may be reduced because of your age at retirement. It also will be reduced if you have a survivor option in effect.

### **What Are Part A Supplements and Who Is Eligible to Receive Them?**

Part A supplements are amounts paid monthly in addition to basic benefits. In the case of early retirement, the supplements are intended to bring your total monthly benefit up to a certain level until you attain age 62 (age 65 if you retired before October 1, 1979).

If you retired between March 1974 and September 1979, you may be eligible for an age-service supplement or a lifetime supplement. These supplements are payable for life.

### **Are Part A Retirement Supplements Reduced for Reasons Other Than Age?**

Yes. If you are receiving an early retirement supplement, any increase in your basic benefit will result in a corresponding decrease in your supplement. However, under the 1979 Program modifications, the amount of your early retirement supplement will increase on the same dates as your basic benefits (see Table 2 on page 11).

Any supplement payable to you prior to age 65 will be reduced for earnings in a calendar year which are in excess of the following amounts.

Calendar Year	Annual Earnings Limitation Amount
1980	\$ 4,500
1981	5,000
1982	5,500

For example, if you earn more than \$4,500 in 1980, your supplement will be reduced by \$2 for each \$1 of your earnings above \$4,500.

If you retired voluntarily and become eligible for a Social Security disability insurance benefit, any supplement you are entitled to receive before age 62 (age 65 if you retired before June 1974) will be reduced. The amount of the reduction will equal the amount of the temporary benefit in effect at the time of your Social Security disability insurance benefit award (see page 5).

*If you become eligible for a Social Security disability insurance benefit or if you earn more than the amount listed above, you immediately should advise the salaried personnel department at the GM location from which you retired. This will help prevent an overpayment of GM benefits which you would have to repay.*

If you retired between March 1974 and September 1979, with 30 or more years of

credited service, you may receive a monthly Part A lifetime supplement upon attaining age 65. Previously, the amount of this supplement was \$75, \$80, or \$100 per month, depending on the date of retirement. On and after October 1, 1979 the amount of this supplement is adjusted to \$65 per month in recognition of the substantial increase in the Part A basic benefit rate as shown in Table 1 on page 11.

Part A supplements are reduced by the amount of any monthly Part B supplementary benefit payable to you

### **When Am I Eligible for Part A Temporary Benefits?**

If you retired prior to age 62 (age 65 if you retired before June 1974) because of total and permanent disability, under conditions mutually satisfactory to you and General Motors, as a "special early" retirement, or at the option of General Motors, you may be eligible to receive a monthly temporary benefit. The temporary benefit would be in addition to any Part A basic benefits or supplements for which you may be eligible.

The temporary benefit is payable to age 62 (age 65 if you retired before June 1974). In no event, however, will the temporary benefit be payable after you become eligible, or could have become eligible, for a Social Security disability insurance benefit. If you are approved for Social Security disability insurance benefits, the temporary benefit ceases to be payable, even if you subsequently cancel your Social Security disability insurance benefit. The amount of the monthly temporary benefit is based on your years of credited service at retirement, up to 25, and the temporary benefit rate as determined by your retirement date. The amount was increased by one dollar per month, per year of credited service, up to 25, on October 1, 1979.

### **When Do I Become Eligible for the Part A Special Benefit?**

Each retired employee and eligible surviving spouse who is age 65 or over and receiving a

monthly Part A basic retirement benefit, or a survivor benefit related to Part A, is eligible to receive a special benefit. This benefit also is payable, upon application to General Motors, to a retiree or surviving spouse who is receiving a Part A basic retirement benefit and who is under age 65 and enrolled in Part B of Medicare.

This benefit is provided under the Insurance Program for retirements with benefits commencing on and after October 1, 1979, but is included in the monthly retirement check. Not more than one special benefit is payable to any individual for any one month. Benefit amounts are shown in Table 3 on page 11.

### **What Are the Various Parts of the Part B Retirement Benefit?**

Each monthly Part B benefit includes a primary benefit. It also may include a supplementary benefit.

The primary benefit is based on a percentage of your total Part B contributions at retirement.

The supplementary benefit is based on a percentage of your average monthly base salary times the number of years you were a participant under Part B.

### **What Determines the Amount of My Retirement Benefits Under Part B of the Retirement Program?**

Any benefits you may be receiving under Part B of the Retirement Program are based on the following.

- The type of your retirement
- The date you retired
- The number of years you participated
- Your age at retirement
- Whether you contributed at all times while eligible
- The amount of your contributions in the Program



- Your average monthly base salary as defined in the Retirement Program in effect when you retired
- Whether you elected a Part B surviving spouse option.

The amount and calculation of your Part B primary benefit is shown on Form SRP-17. Any monthly Part B supplementary benefits are shown on Form SRP-117. Copies of all applicable forms were given to you or your deceased spouse at retirement. These benefits may have been increased from time to time after you retired. You should refer to the most recent notice from General Motors which shows your benefits before and after the last increase.

### **If I Did Not Contribute to My Retirement Under Part B, Is the Part A Benefit Affected?**

No. Your monthly Part A basic benefit is the same whether or not you contributed under Part B.

### **What Happens to the Money That I Contributed to Part B of the Retirement Program?**

Your contributions and the Corporation's contributions were paid over to the Metropolitan, Aetna and Prudential Life Insurance Companies. These monies are invested by the insurance companies and payments are made to you or to your surviving spouse or designated beneficiary according to the terms of the Program.

### **May I Assign Any of the Benefits Under the Retirement Program to Another Person?**

No. You cannot assign your rights under the Retirement Program to anyone else.

### **Do the Monthly Benefit Amounts Increase?**

Most retirees have received increases in their monthly Part A basic retirement benefit at various times since their retirement.

For example, an individual who retired with 25 years of credited service at age 65 in 1969 with a monthly basic retirement benefit of \$137.50 received \$296.25 in October 1979.

The Part A basic benefit rate was increased by \$1.90 per month, per year of credited service, on October 1, 1979. Additional increases scheduled for the future are shown in Table 1 on page 11.

The Part A supplement, temporary benefit and special benefit also have been increased at various times. The Part A supplement and the special benefit will be increased further in the future as shown in Tables 2 and 3 on page 11.

Benefits provided under Part B of the Retirement Program also have been increased at various times in the past. In addition to an increase of up to 23% effective October 1, 1979, Part B primary and supplementary benefits will be increased further by 5% on October 1, 1980 and again on October 1, 1981.

Increases for eligible surviving spouses are proportionate to retiree increases.

You will be notified of the amount of any increase in advance of the date the increase becomes effective.

### **What Should I Know About My Total and Permanent Disability Retirement?**

If you retired because of total and permanent disability, your monthly Part A basic and Part B benefits are the same as if you had retired at age 65. They are based on your credited service, average salary, and Part B contributions at the time of your disability retirement. In addition, if Social Security determines that you are not eligible for disability benefits under the Social Security Act, you may receive a temporary benefit from GM (see page 5).

If you are under age 65 and are receiving a total and permanent disability retirement benefit, this benefit will cease to be payable if

you (i) are no longer totally and permanently disabled or (ii) become gainfully employed for purposes other than rehabilitation. You should notify the GM location from which you retired in either event

### **Can I Change My Type of Retirement After My Retirement Effective Date?**

No The type of retirement under which you retired will be retained throughout your retirement years

### **Can My Retirement Benefits Be Reduced for Workers Compensation I Receive?**

Yes. Workers compensation benefits paid to retired employees will be deducted from the Part A retirement benefits otherwise payable. However, workers compensation payments paid under a claim filed within two years after the breaking of credited service will not be deducted.

This deduction also is applicable to any supplementary benefits you may be receiving under Part B of the Retirement Program.

### **What If My Spouse Dies or We Are Divorced?**

If you have a survivor option in effect as discussed on pages 28 and 29, you may revoke the survivor option in the event your designated spouse dies or you are divorced by final court decree. Generally, your Part A basic benefit would be restored to the amount payable without the option. Restoration is effective on the first of the third month after proper notice and documents are submitted to General Motors. Part B benefits are not restored to the amount payable without the survivor option in the event you outlive your spouse.

Consent of General Motors and/or the Metropolitan Life Insurance Company is

necessary for revocation of any survivor option while your spouse is alive

### **If I Marry or Remarry After My Retirement, May I Elect a Survivor Option for My New Spouse?**

If you retired on or after January 1, 1962 and did not reject the Part A surviving spouse option at any time it was made available to you, you may be eligible to elect or re-elect a Part A surviving spouse option with respect to your new spouse. In all cases the option would provide benefits under the terms and conditions of the program which was in effect at the time you retired

The option would become effective on the first day of the third month following the month in which your completed election form is received by General Motors. However, the option cannot become effective before you have been married to your new spouse for one year.

**IMPORTANT** - *The option will not become effective if your completed election form is received by General Motors after the first day of the month in which you have been married for one year.*

To elect or re-elect the option, complete Form SRP-60M, which is printed on page 43 of this booklet. Send the completed form, together with proof of your present marriage, to the salaried personnel department at the GM location from which you retired. A copy of this form was sent to each GM retiree as a part of the material announcing the 1979 benefit improvements. If you submitted that copy of the form, it is not necessary to submit another form

### **When Will I Receive My Monthly GM Retirement Check?**

Generally, retirement checks are mailed by the trustee to the retiree, surviving spouse or a designated bank three business days prior to the end of each month. Therefore, you should receive your check during the first

week of the next month. If you do not receive your check within 10 days from the first of any month, you should contact the GM location where you or your deceased spouse last worked. If you have a banking agreement, you should contact the bank prior to contacting your former employing location. After you notify the GM location of the missing check, a stop payment will be placed on it. Thereafter, a new check will be issued to you, normally within 10 business days.

### **What Is a Banking Agreement and Am I Eligible to Have One?**

A banking agreement is an arrangement you may elect so that your monthly retirement check will be deposited directly into your bank account. If you are interested in a banking agreement, ask your bank if it has facilities for this procedure. If your bank permits this procedure, contact the GM location where you or your deceased spouse last worked to obtain the required banking agreement forms. You then can arrange to have your monthly retirement check deposited directly into your bank account.

### **Whom Should I Notify If I Have an Address Change?**

You should notify the GM location where you or your deceased spouse last worked any time you change your address. You should notify the GM location of the address change even though you have a banking agreement. A correct home address helps to ensure that you, as a GM retiree or a surviving spouse, will receive information sent to you by General Motors.

Your check stub provides a vehicle for informing your former employing location of an address change.

### **What Information Is Needed to Identify My Particular Retirement File?**

Whenever you write to the GM location where you or your deceased spouse last worked, or to General Motors, you should include your plant code-retirement number. Your plant code-retirement number is shown on the check stub of each monthly retirement check you receive. In addition, the SRP-117 and SRP-17 authorization forms you signed at retirement, and were given a copy of, include your plant code-retirement number. If you do not know your plant code-retirement number, you should identify the location where you or your deceased spouse last worked whenever you write regarding your benefits.

### **Are My Retirement Benefits Subject to Federal Income Taxes?**

The Internal Revenue Service has taken the position that retirement benefits under both the insured portion of the Program (Part B primary benefits) and the trustee portion of the Program (Part A and Part B supplementary benefits) should be combined and considered as received under a single plan. Under this position, if the total of such benefits received within three years from the first payment are expected to equal or exceed your contributions to the Program, all benefits under the Program should be excluded from gross income until an amount equal to your contributions has been received. The amount of your contributions is noted on your copy of Form SRP-17 which was given to you or your deceased spouse at retirement. Once an amount equal to your contributions has been received under the Program, all subsequent benefit payments would be fully includable in gross income.

If the aggregate benefits received within this three-year period will be less than your contributions to the Program, each benefit payment you receive will consist of two parts: (a) a return of your contributions and (b) taxable income. In general, the portion considered to be a return of your contributions,

and thus tax free, is determined by multiplying the benefits received by a calculated percentage. The percentage may be obtained by dividing your net contributions to the Retirement Program by the total amount it is estimated (through use of life expectancy tables provided by the Internal Revenue Service) you and your survivor annuitant, if any, will receive under the Program as of the date the benefits commence.

If you are receiving benefits under Part A only (or benefits under Part A and only supplementary benefits under Part B), the entire amount of such benefits will be taxable as ordinary income when received since all of the contributions toward the cost of these benefits were made by General Motors. If you retired because of total and permanent disability and are under age 65, you may be eligible for a limited exclusion from income.

For further information relative to the federal income tax status of your retirement benefits, you may wish to consult your tax advisor or the instructions for U.S. Individual Income Tax Return (Form 1040) covering pension and annuity income.

### **What About State and Local Income Taxes?**

Your retirement benefits may be subject to state and local income taxes. However, not all state and local jurisdictions impose an income tax on individuals. In addition, other jurisdictions exempt all or a portion of retirement payments from tax. Because of these differences, you should consider any taxability of your retirement benefits in light of the laws in effect in your particular state and local jurisdiction.

For further information relative to the tax status of your retirement benefits, you may wish to consult instructions for applicable state and local income tax returns, or your tax advisor.

### **Is Any Withholding of Income Tax Made From My GM Benefits?**

Federal income tax will be withheld from your GM retirement benefits only if you request such withholding. If you wish to have federal income tax withheld from your GM retirement benefits, you must request withholding on U.S. Treasury Form W-4P. This form is available at your local Internal Revenue Service office. You should read carefully the instructions for the form before completing it. The completed form should be sent to General Motors Corporation, Insurance and Pension Section, Room 7-135, 3044 West Grand Boulevard, Detroit, Michigan 48202. Once begun, withholding will continue until you request in writing that it be terminated, or until you file a new Form W-4P increasing or decreasing the amount of withholding.

The Retirement Program trustee and the Metropolitan Life Insurance Company are required to file Form W-2P (Statement for the Recipients of Periodic Annuities, Pensions, Retired Pay, or IRA Payments) with the Internal Revenue Service with respect to each person who receives retirement benefits of \$600 or more during a calendar year or who receives any amount and has federal tax withheld. A copy of the form filed with the Internal Revenue Service, if any, will be furnished to you. If you receive less than \$600 and do not have federal tax withheld, a statement of benefits paid to you during the year will be furnished to you.

### **What About My Social Security Benefits?**

Your Social Security benefits generally are in addition to GM retirement benefits for which you might be eligible. You and General Motors contributed equally to the cost of Social Security benefits. Social Security old age benefits may begin as early as age 62 in a permanently reduced amount. Benefits are payable in full if they begin at or after age 65.

Your GM Part A basic retirement benefits are not affected by your eligibility for Social

Security. However, the early retirement supplements and temporary benefit are reduced, or eliminated, when you become eligible for a Social Security disability insurance benefit. Neither General Motors nor the Retirement Program trustees will be responsible for any attorney fees you may incur in connection with any disputed Social Security application.

If you retired because of total and permanent disability, under conditions mutually satisfactory to you and General Motors, as a "special early" retirement, or at the option of General Motors, and become eligible for a Social Security disability insurance benefit, you should notify the GM location from which you retired. Prompt notification may prevent an overpayment of GM benefits which you would have to repay.

### What About Social Security Benefits for My Spouse?

Your spouse may be eligible for a Social Security benefit based on his or her own wage record. If not so eligible, your spouse's monthly Social Security benefit will be equal to one-half of your unreduced monthly Social Security benefit, if your spouse is age 65. Your spouse may receive a permanently reduced benefit as early as age 62. A reduced widow's or widower's benefit is payable as early as age 60.

### When Can I Receive Social Security Disability Benefits?

If you are disabled, you may be eligible to receive disability insurance benefits from Social Security at any age before age 65. These benefits equal your accrued Social Security benefit payable as if you were age 65. Your nearest Social Security office can tell you if you qualify. Benefits may be payable after you have been disabled for five full calendar months. However, you do not have to wait five months to apply.

***If you become eligible for Social Security disability insurance benefits, you immediately should notify the salaried personnel department at the GM location from which you retired.*** This notice is necessary to avoid an overpayment of GM benefits which you would have to repay.

### How Do I Find Out What My Monthly Social Security Benefit Will Be?

Questions concerning Social Security should be referred to the Social Security Administration office nearest you.

The following table shows current maximum monthly Social Security old age benefits. The table is based on the federal law in effect in January 1980.

Maximum Monthly Social Security Old Age Benefits for Retirement at Age-65			
Year of Retirement	Monthly Benefit Amount		
	Retiree	Spouse	Total
	\$	\$	\$
1951	277	138	415
1955	338	169	507
1960	348	173	519
1965	358	179	537
1970	397	198	595
1975	451	225	676
1976	480	240	720
1977	512	256	768
1978	538	269	807
1979	553	276	829
1980	572	286	858

**NOTE:** Amounts are rounded to nearest dollar. In all instances, you and your spouse are assumed to be the same age. You and your spouse may receive lower benefits from Social Security than those shown above if you earned less than the maximum amount subject to Social Security taxes or if either of you had not attained age 65 at retirement.

**PART A RETIREMENT BENEFIT TABLES**  
Increases Applicable To Retirements Commencing Prior To  
October 1, 1979

TABLE 1 — DATE AND AMOUNT OF INCREASE IN MONTHLY PART A BASIC BENEFIT RATE PER YEAR OF CREDITED SERVICE								
10-1-79	2-1-80	8-1-80	10-1-80	2-1-81	8-1-81	10-1-81	2-1-82	8-1-81
\$ 1.90	\$ .20	\$ .25	\$ .25	\$ .25	\$ .25	\$ .25	\$ .30	\$ .30

TABLE 2 — PART A SUPPLEMENT FOR EARLY RETIREMENT WITH 30 OR MORE YEARS OF CREDITED SERVICE		
Effective Date of Increase	Monthly Amount of Increase	
	Payable to Age 62	Payable Between Ages 62-64
	\$	\$
10-1-79	75.00*	30.00*
	50.00**	30.00**
2-1-80	10.00	5.00
8-1-80	15.00	7.50
10-1-80	15.00	7.50
2-1-81	15.00	7.50
8-1-81	15.00	7.50
10-1-81	15.00	7.50
2-1-82	15.00	7.50
8-1-82	15.00	7.50

TABLE 3 — PART A SPECIAL BENEFIT AMOUNT EFFECTIVE ON DATES INDICATED		
10-1-79 through 9-1-80	10-1-80 through 9-1-81	10-1-81 and after
\$8.70	\$9.20	\$9.70

NOTE — Payable under GM Insurance Program for retirements with benefits commencing on or after October 1, 1979.

\*Applicable to retirements with benefits commencing on or after January 1, 1965 and prior to October 1, 1974.

\*\*Applicable to retirements with benefits commencing on or after October 1, 1974 and prior to October 1, 1979.



## Your Health Care Benefits

The GM Insurance Program provides protection for you and your eligible dependents against a wide range of Health Care expenses. GM Health Care coverages have been changed from time to time through the years and are subject to change in the future. Coverages may be continued for your eligible surviving spouse in the event of your death as described on pages 29 and 30.

Various organizations called carriers provide Health Care benefits. These carriers are local Blue Cross and Blue Shield plans, the Metropolitan Life Insurance Company, and the Connecticut General Life Insurance Company. Your carriers generally are the same carriers that provided Health Care benefits while either you or your deceased spouse were working.

Alternative coverage, providing benefits which may differ from those shown below, is offered in some areas at your option through a health maintenance organization (HMO) or other group practice plan. Descriptive materials of benefits provided under alternative coverages are available at the insurance office at the GM location where you or your deceased spouse last worked and from the HMO or group practice plan.

Your Health Care benefits cover most hospital, surgical-medical, prescription drug, dental, hearing aid, and, effective October 1, 1980, vision expenses. If you or any of your dependents are age 65 or older (or qualify because of disability) and are covered under the federal Medicare Program, your coverage under the GM Insurance Program is adjusted automatically on the date Medicare coverage becomes effective. See page 20 for details.

Set forth below are answers to many questions concerning basic Health Care benefits. Answers to questions concerning comprehensive medical expense insurance benefits begin on page 17. If you have any questions concerning your Health Care benefits that are not answered, you may wish to contact the salaried personnel department at the GM location where you or your deceased spouse last worked.

### Are My Health Care Coverages Continued While I Am Retired?

Your basic Health Care coverages will be provided at GM expense for your lifetime (except for voluntary retirement as early as age 55 and prior to age 60 when combined years of age and credited service total less than 85, or for retirement as early as age 60 and prior to 65 without retirement benefits).

If you retired voluntarily as early as age 55 and prior to age 60 when your combined years of age and credited service totaled less than 85, you may continue your basic Health Care coverages for your lifetime provided you pay the full cost.

During periods that basic coverages are in effect, you also may continue your comprehensive medical expense insurance coverage by making the monthly contributions applicable to retirees (see page 17) or by paying the full cost, if applicable.

### What Are My Benefits If I Am In a Hospital?

Hospital coverage provides benefits for the following care and services:

- up to 365 days of needed care in a semi-private room in a participating hospital for general conditions, including maternity care;

- up to 45 days of needed care in a hospital for nervous and mental conditions, or in an approved residential substance abuse treatment facility;
  - most medical needs in a hospital or approved facility, such as supplies, drugs, dressings, anesthesia, x-ray, laboratory tests, intensive care, and routine nursery care;
  - up to \$100 per day for room, board, and all covered services in a non-participating general acute care hospital (up to \$15 per day for other than a general acute care hospital);
  - medically necessary transfers by ambulance between hospitals and for transfers from hospitals to approved facilities for a CAT scan
- recommended by your physician, payment is made for necessary skilled nursing and home health aides

### **What About Hospital Outpatient Services?**

Payment is made for most services in the outpatient department of a hospital, such as

- treatment of accidental injuries and certain medical emergencies, surgery, physical therapy (up to 60 treatments per condition per year which also may be performed in an approved facility other than a hospital), and use of an artificial kidney machine, iron lung and similar equipment;
  - up to 35 outpatient treatments per year in an approved substance abuse treatment facility (limited to 140 lifetime treatments);
  - up to \$1,000 per calendar year for outpatient psychiatric services when billed by an approved facility
- surgery and anesthesia, including pre- and post-operative care,
  - obstetrical delivery, including pre- and post-natal care,
  - in-hospital consultation and technical surgical assistance,
  - in-hospital medical care by the doctor in charge of the case and doctor's medical visits at the rate of two per week for up to 730 days in an approved nursing home for general conditions,
  - radiation therapy and chemotherapy for malignant conditions,
  - necessary diagnostic x-ray, laboratory, and pathology services,
  - laboratory testing for an annual pap smear,
  - outpatient treatment of accidental injuries and certain medical emergencies,
  - outpatient psychiatric services, including family counseling (subject to a copayment of 10% for the sixth through the tenth visits and a 25% copayment for all subsequent visits), and benefits of up to \$75 for psychological testing. Payment is limited to \$1,000 per person per calendar year in combination with expenses for outpatient psychiatric services in an approved facility

### **What Services Are Covered in a Nursing Home?**

Up to 730 days of needed care (other than custodial care) are provided in an approved nursing home for general conditions — up to 90 days for nervous and mental conditions.

### **Suppose I Need Home Care?**

Benefits are provided in those areas which have approved home care programs. When

### **What Surgical-Medical Services Are Covered?**

Benefits are provided for physicians' reasonable and customary charges as determined by the carrier for

- surgery and anesthesia, including pre- and post-operative care,
- obstetrical delivery, including pre- and post-natal care,
- in-hospital consultation and technical surgical assistance,
- in-hospital medical care by the doctor in charge of the case and doctor's medical visits at the rate of two per week for up to 730 days in an approved nursing home for general conditions,
- radiation therapy and chemotherapy for malignant conditions,
- necessary diagnostic x-ray, laboratory, and pathology services,
- laboratory testing for an annual pap smear,
- outpatient treatment of accidental injuries and certain medical emergencies,
- outpatient psychiatric services, including family counseling (subject to a copayment of 10% for the sixth through the tenth visits and a 25% copayment for all subsequent visits), and benefits of up to \$75 for psychological testing. Payment is limited to \$1,000 per person per calendar year in combination with expenses for outpatient psychiatric services in an approved facility

### **Are Prosthetic Appliances Covered?**

Benefits are provided for the purchase, fitting, and repair of certain external prosthetic appliances which replace a body part or the functions of a permanently malfunctioning body part. These prosthetic appliances must be prescribed by a licensed physician and furnished and billed by a hospital or facility approved by the carrier.



### Suppose I Need a Wheelchair or Other Durable Medical Equipment?

Benefits are provided for the purchase or rental of certain durable medical equipment (such as hospital beds, crutches, or wheelchairs) when prescribed by a licensed physician. This equipment must be necessary for treatment of a medical condition and be provided and billed by a hospital, nursing home, or professional provider such as a pharmacy or medical supply house.

### How Do I File a Claim for Hospital or Surgical-Medical Benefits?

If your carrier is a Blue Cross or Blue Shield plan, just show your identification card (and your Medicare card, if you have Medicare) when you go to a hospital, residential or outpatient treatment facility, nursing home, physician, or other provider of covered services.

No deposit should be required for covered services in Blue Cross participating hospitals, nursing homes, or other approved facilities. The hospital or facility is paid directly by Blue Cross (and Medicare, if applicable). Blue Shield generally pays physicians directly.

In any situation where a provider of a covered service is not paid directly by Blue Cross or Blue Shield, you should submit the charges to your local Blue Cross or Blue Shield plan office. If you have Medicare, include the ID number from your red, white, and blue Medicare card when you send your claim to your local Blue Cross or Blue Shield plan.

If your carrier is Metropolitan Life Insurance Company, obtain a claim form from the insurance office at the GM location where you or your deceased spouse last worked or Metropolitan Life. Complete the upper portion of the form and have the hospital, residential or outpatient treatment facility, nursing home, physician, or other provider of

covered services complete the lower portion. Either you or the provider can submit the completed form to Metropolitan Life.

Payment will be made directly to the provider unless you have paid all or part of the charges for service. In that case, Metropolitan Life will pay you. In the case of hospital coverage provided by Metropolitan Life, payment will always be made to you, unless you authorize Metropolitan Life to pay the facility directly. In either case, if you have Medicare, read the notice on Metropolitan's claim form for the procedures to be followed.

### Are Benefits Available for Hearing Aids?

GM Health Care coverages include benefits to provide hearing aids for retirees, surviving spouses, and their eligible dependents.

To obtain benefits you must first be examined by an ear specialist (otologist or otolaryngologist) to determine if your hearing problem is caused by a condition which may be corrected by use of a hearing aid. ***The cost of this examination is not a covered service.***

If it is determined that your hearing problem may be corrected by use of a hearing aid, benefits will be provided for the reasonable and customary charges for the following services once during any period of 36 consecutive months ***only when all such services are obtained from a participating provider:***

- audiometric examination,
- hearing aid evaluation test (up to \$48, subject to change each October), and
- one hearing aid (acquisition cost and dispensing fee). However, only the particular hearing aid prescribed as a result of the hearing aid evaluation test will be covered.

Covered benefits will include an ear mold, necessary fitting and adjustment of the hearing aid, and a follow-up examination to determine the effectiveness of the hearing aid.

### **How Do I File a Claim for Hearing Aid Benefits?**

Participating providers generally will have the necessary claim forms and will be paid directly by the carrier.

Benefits are payable **only** if you obtain services from a participating provider. Ask the provider if he or she is participating **before** you receive services. If you need the name of a participating provider, inquire at the GM location where you or your deceased spouse last worked, the Blue Shield plan in which you are enrolled, or Metropolitan Life, as may be applicable.

### **Does My Coverage Pay for Prescription Drugs?**

Benefits are provided for the purchase of drugs which require prescription by a licensed physician under federal law. Benefits also are provided for injectable insulin and disposable syringes and needles when prescribed to inject the insulin. A \$3 copayment is applicable for each prescription order or refill.

Drug quantities are limited to a maximum of a 34-day supply per prescription, except for certain maintenance drugs which may be dispensed in 100 or 200 unit doses. Most pharmacies have a listing of these maintenance drugs. Disposable syringes and needles are limited to a 1-month supply when prescribed with a 1-month supply of insulin or, if greater, 100 syringes and needles when prescribed with a 3-month supply of insulin.

Drugs purchased from a participating pharmacy will be billed directly to the carrier by the pharmacy.

Participating pharmacies display a Blue Shield or Metropolitan sign which indicates that the pharmacy participates under the prescription drug plan.

If you purchase drugs from a non-participating pharmacy, you will be required to pay the full charge and file a claim with your carrier. You will be reimbursed 75% of the reasonable and customary charge, less the \$3 copayment for each prescription. Claim forms may be obtained from the GM location where you or your deceased spouse last worked.

### **Is Dental Coverage Included?**

Dental coverage is provided for retirees, surviving spouses, and their eligible dependents (except sponsored dependents) for whom General Motors contributes the full cost of basic Health Care coverages.

Benefits will be provided up to an annual maximum of \$1,000 per person for other than orthodontics (teeth straightening) during any benefit year (October 1 through September 30), and up to a lifetime maximum of \$800 per person for orthodontics for individuals under age 19.

Benefits are based on the reasonable and customary charges of dentists as determined by the carrier. Metropolitan Life Insurance Company is the dental carrier for Michigan retirees and eligible surviving spouses. Connecticut General Life Insurance Company is the dental carrier for retirees and eligible surviving spouses from employing locations outside Michigan.

### **What Are the Dental Services Covered and the Benefits Payable?**

**Benefits are payable at 100% of the reasonable and customary charge for:**

- oral examinations and prophylaxis (cleaning of teeth), but not more than twice in any benefit year;
- topical application of fluoride for persons under age 20;
- emergency treatment for temporary relief of pain.

**Benefits are payable at 90% of the reasonable and customary charge for:**

- dental x-rays, including full mouth x-rays (but not more than once in any period of 36 consecutive months), and bitewing x-rays (but not more than twice in any benefit year),
- extractions and oral surgery,
- amalgam, silicate, acrylic, synthetic porcelain, and composite fillings,
- general anesthetics and intravenous sedation when medically necessary and administered in connection with oral or dental surgery,
- endodontic (nerve and pulp) and periodontal (gum) treatment,
- repair of crowns, bridgework or dentures, and relining or rebasing of dentures more than six months after installation, but not more than one relining or rebasing in any period of 36 consecutive months,
- inlays, onlays, gold fillings, or crowns, but only when the tooth cannot be restored with an amalgam or other filling

The remaining 10% of the reasonable and customary charge is a copayment payable by you.

**Benefits are payable at 50% of the reasonable and customary charge for:**

- initial installation of fixed bridgework;
- initial installation of removable dentures, including any adjustments during the six-month period following installation;
- replacement of an existing denture or fixed bridgework, but only when
  - (a) the replacement or addition of teeth is required to replace one or more teeth extracted after the existing denture or bridgework was installed; or,
  - (b) the existing denture or bridgework cannot be made serviceable and, if it was installed under this coverage, at least five years have elapsed prior to the replacement; or,
  - (c) the existing denture is an immediate temporary denture which cannot be made permanent and replacement by a

permanent denture takes place within 12 months from the date of initial installation of the immediate temporary denture,

- orthodontic (teeth straightening) procedures and treatment (including related oral examinations) for persons under age 19

The remaining 50% of the reasonable and customary charge is a copayment payable by you

### **How Do I File a Claim for Dental Benefits?**

Dental claim forms and instructions are available to dentists in areas where General Motors has employees. Most dentists will file your claim for you with the appropriate carrier. However, if your dentist does not have a claim form, you may obtain one from the GM location where you or your deceased spouse last worked or from your dental carrier.

If a course of treatment is expected to involve dental expenses amounting to \$200 or more, your dentist should file with the carrier a description of the procedures to be performed and an estimate of the charges prior to beginning treatment.

The carrier will notify the dentist of estimated benefits payable with consideration given to alternate procedures that may be performed in order to accomplish the desired results.

You should discuss with your dentist the treatment plan, the fee, and the estimated dollar amount of benefits **before** treatment begins.

### **Am I Covered for Vision Care?**

Effective October 1, 1980, retired employees, surviving spouses, and their eligible dependents (except sponsored dependents) for whom General Motors contributes the full cost of basic Health Care coverages will be eligible for vision coverage. No benefits will be provided for any vision service received prior to October 1, 1980.

Benefits will be provided for the reasonable and customary charges (less copayment) for

- vision examination by an ophthalmologist or optometrist once during any period of 12 consecutive months (\$5 copayment) Under certain limited conditions a benefit may be payable for a second examination within 60 days of the first examination,
- lenses once during any period of 12 consecutive months (\$7.50 copayment),
- contact lenses when vision cannot be corrected to 20/70 in the better eye except by their use or when certain irregularities in the shape of the eye require their use (\$7.50 copayment) When contact lenses are prescribed for any other reason, \$35 less the \$7.50 copayment will be the maximum benefit Benefits will be provided for the reasonable and customary charges (less copayment) for contact lenses following cataract surgery unless otherwise provided under medical-surgical coverage,
- frames will be provided once during any period of 24 consecutive months (\$7.50 copayment) If you obtain your frames from a participating provider and you select frames from a display the provider will show you, there will be no expense to you other than the copayment. However, if you select frames not included in the display, or obtain your frames from a non-participating provider, up to \$15 less the \$7.50 copayment will be the maximum benefit.

The total copayment for each covered individual during any period of 12 consecutive months will not exceed \$12.50 (\$5 for a vision examination and \$7.50 for lenses and frames combined).

### How Do I File a Claim for Vision Benefits?

Metropolitan Life Insurance Company is the vision coverage carrier for all retirees and surviving spouses. A claim form may be obtained from the GM location where you or your deceased spouse last worked or from a participating provider. Complete your portion

of the form and have the remaining portion completed by the provider The completed form should be sent to Metropolitan Life Benefits will be paid directly to the provider to the extent that you have not paid all or part of the charges for services In that case Metropolitan Life will pay you

### What Is the Comprehensive Medical Expense Insurance Program?

Comprehensive medical expense insurance coverage provides you, your eligible dependents (except sponsored dependents) and surviving spouse with major medical benefits. This coverage is offered through the Connecticut General Life Insurance Company It adds to the protection you are provided by the basic coverages described earlier.

You pay part of the cost of this additional coverage, based on the schedule below. General Motors pays the major portion of the cost

Monthly Contributions	
Coverage	Retiree or Surviving Spouse
Single	\$ .15
Two Party	2.25
Family	2.75

### What Are Major Medical Benefits?

Major medical benefits offer additional protection when the basic benefits described earlier either have been exhausted or are not applicable.

Major medical benefits cover reasonable charges, less a deductible amount as described later, for necessary medical services and supplies, including those listed which are not generally covered by your basic coverages:

- physicians' non-surgical services out of hospital,
- up to \$25 a day toward the difference in cost between a semi-private and a private hospital room,
- professional private duty nursing care (up to \$25 a day when care is determined to be primarily custodial in nature),
- blood,
- professional ambulance service when medically necessary,
- semi-private hospital charges after the maximum duration allowed under basic coverages (generally 365 days) has been exhausted,
- semi-private nursing home charges for acute therapeutic care after the maximum duration allowed under basic coverages (generally 730 days) has been exhausted,
- dental work and dentures made necessary by an accident (to the extent not covered under the dental plan),
- inoculations,
- physical examinations (limited to one per year for persons over age 6) including laboratory tests;
- chiropractic services (up to 20 visits within the initial 3 months of treatment),
- voluntary sterilizations;
- copayments made under basic coverage for prescription drugs;
- up to \$150 a day, less amounts payable by basic coverages, for confinement in a hospital operated primarily for care of nervous or mental conditions,
- up to \$25 a day for custodial care in an approved facility, or for custodial care rendered at home by a professional private duty nurse.

### Must I Pay for Part of the Charge for Services?

Under comprehensive medical expense insurance, you pay a deductible amount of \$50 toward covered expenses which are incurred

each calendar year for the same individual. This \$50 is called the individual deductible amount. In meeting this amount, you can add up all of your covered expenses for the same individual, whether they relate to one condition or to a number of different conditions.

However, if covered expenses incurred by two or more family members equal \$100 (the family deductible amount), no additional deductible amount will be applied against expenses incurred by any of your other family members for that calendar year. No more than \$50 of covered expenses for any one family member can be applied toward the \$100 family deductible amount.

Any covered expenses incurred in October, November or December of any calendar year which are applied to the deductible amount for that year, and therefore are not reimbursable, may be applied to the deductible amount for the following calendar year.

### After Paying the Deductible Amount Are There Any Charges to Me?

After you pay the deductible amount, your major medical insurance pays 80% of the next \$2,500 of covered expenses incurred during one calendar year and 100% of covered expenses which exceed \$2,500. Covered expenses for outpatient psychiatric care continue to be payable at 80%, however.

### Are There Any Calendar Year Benefit Limitations?

Yes: Covered expenses for outpatient psychiatric care include only those charges for services rendered after all basic benefits have been exhausted. Reimbursement is limited to \$4,000 per year for non-psychotic conditions.

Covered expenses for allergy testing and treatment are limited to benefits of \$2,000 per year.

The maximum reimbursement amount is \$50,000 per calendar year for each individual. There is no lifetime maximum.

## **How Do I File a Claim Under the Comprehensive Medical Expense Insurance Program?**

You previously should have received a booklet "How to File A Claim" which provides instructions and helpful hints on how to file a claim. If you do not have a copy of this booklet, you may obtain one from the location where you or your deceased spouse last worked or from Connecticut General

You should file a claim when your out-of-pocket expenses exceed the \$50 deductible amount for an individual or \$100 for your family. However, if your covered expenses are small, you may find it more convenient to postpone filing until the end of the calendar year. *In any event, claims should be filed no later than 90 days following the end of the calendar year in which expenses were incurred.*

When you are ready to file a claim, you should obtain the necessary forms from the GM location where you or your deceased spouse last worked or from Connecticut General. There are things you should do routinely before you reach the point when you know you will have a claim to file:

- keep all bills and receipts for medical services incurred by you or your insured dependents;
- keep bills and receipts properly identified, separated by individuals, and in chronological order;
- see that bills or receipts are itemized and include patient's name, description of service or medical supply, date of service or purchase, and charges incurred;
- keep basic coverage vouchers, and, if applicable, Medicare Explanation of Benefit vouchers, with appropriate bills or receipts;
- be sure drug receipts include prescription number, name of patient, date of purchase and amount of charge;
- be sure that receipts for medical supplies, equipment, private duty nursing, physical therapy, or other services not performed by

a physician are supported by certification of the attending physician that such supplies, equipment or services are medically necessary

It is your responsibility to accumulate your bills, receipts, and other supporting documents for a claim. By planning ahead, you can help yourself to obtain all the benefits to which you are entitled with a minimum of time and effort

If you are in doubt as to whether you should file a claim, you are urged to submit a claim and allow the carrier to determine benefits which might be payable

## **What Do I Need to Know About Medicare Eligibility and Enrollment?**

Medicare is a federal health care program for individuals age 65 or older and for certain individuals under age 65 who qualify (1) through receipt of Social Security disability insurance benefits or (2) after three months of dialysis treatment because of total kidney failure. Medicare has two parts. Part A, which provides hospital coverage, and Part B, which provides medical coverage. Enrollment for Part A is automatic. Enrollment for Part B is voluntary and requires a monthly contribution by you which you may have deducted from your Social Security check.

If you do not enroll for Medicare when first eligible, there is a 10% penalty in the monthly amount of Medicare Part B premium cost to you for each year you delay enrolling

## **What Are My Medicare Benefits?**

Medicare Part A can help pay for inpatient hospital care and for care in an approved skilled nursing facility, or in your own home through an approved home health care agency after an inpatient hospital stay

Medicare Part B can help pay for physician's services, including home and office calls, outpatient hospital services, physical therapy, speech pathology, ambulance service, and other medical services and supplies.

A booklet containing details of Medicare benefits is available upon request from your nearest Social Security office. It is suggested that you obtain a copy of this booklet and familiarize yourself with the important information contained in it.

### **What Effect Does Medicare Have on My GM Health Care Benefits?**

If you or one of your dependents is enrolled for Medicare, your basic Health Care benefits under the GM Insurance Program will be reduced by benefits payable for the same services under Medicare. Comprehensive medical expense benefits also will be reduced by the amount of Medicare benefits payable for any individuals who are enrolled in Medicare Part B. In other words, benefits payable under Medicare will not be duplicated by your GM Health Care benefits.

It is important for both you and your spouse to enroll for Medicare when first eligible. In the event of your death, your surviving spouse will not be eligible for Corporation contributions for any GM Health Care coverages if he or she is eligible but not enrolled for Medicare Part B at or after age 65.

### **How Do Medicare and GM Health Care Benefits Work Together?**

The Medicare program has deductible and coinsurance amounts which normally are payable by you. Your GM Insurance Program generally pays these Medicare deductibles and coinsurance amounts for you. However, if the deductible or coinsurance amounts apply toward Medicare benefits which are not covered benefits under the GM Insurance Program, the GM Insurance Program will not pay the applicable deductibles or coinsurance amounts for you.

### **Can I Transfer My GM Health Care Coverages If I Move?**

Yes. You may have changed your permanent residence to an area served by a carrier other than the one with which you were enrolled before moving. If your new residence is

located in an area served by a GM Health Care carrier in which GM salaried employees are enrolled, you may wish to transfer your basic Health Care coverages to the carrier that serves the area where you now live. If so, contact the GM location where you or your deceased spouse last worked for information as to how and when a transfer of coverage may be accomplished.

### **Are There Special Arrangements for Arizona and Florida Residents?**

Yes. If you are enrolled with a Blue Cross-Blue Shield plan and reside in Arizona or Florida for at least four full months in any 12-month period, you may elect to participate in the Arizona or Florida servicing program. This program will facilitate the payment of benefits for covered hospital and doctor services and prescription drugs received in Arizona and Florida. If you are interested in this program, you may contact the GM location where you or your deceased spouse last worked.

### **Are Sponsored Dependents Eligible for Health Care Coverages?**

Your sponsored dependents (generally aged parents) may have the same basic Health Care coverages as you have except that dental, vision, and major medical coverages are not available to sponsored dependents. You pay the full cost for sponsored dependent coverage.

### **What Does Coordination of Benefits Mean?**

A coordination of benefits provision is included in all Health Care coverages under the GM Insurance Program. This means that benefits payable under this Program, when combined with any other group plan benefits, are limited to the total allowable expenses incurred by the patient during any claim determination period. The purpose of this provision is to avoid duplicate payments of benefits in the event an individual is covered by more than one employer plan.

### **What Is Subrogation?**

In the event that any payment of benefits is made by a Health Care carrier under the GM Insurance Program for services which are legally determined to be payable by a third party, such carrier shall acquire all of the retiree's, surviving spouse's, or dependent's rights of recovery as a result of a settlement or judgment brought against any person or organization, except against insurers on policies issued in the name of the retiree, surviving spouse, or dependent.

### **Are There Any Exclusions or Limitations With Respect to Health Care Coverages?**

Yes. Certain services and charges with respect to Health Care coverages are excluded or limited.

A complete description of exclusions and limitations applicable to each benefit provided under the GM Health Care coverages may be found in the appropriate benefit certificates and any riders thereto or similar documents provided by the carriers.

### **Are Certificates Available?**

Yes. The foregoing is intended only as an outline of your GM Health Care coverages. Actual governing provisions and specific exclusions are contained in the applicable benefit certificates and any riders thereto or similar documents provided by the carriers. Certificates will be available to you upon request from the insurance office at the GM location where you or your deceased spouse last worked or from your local Blue Cross or Blue Shield plan, Metropolitan, or other carrier, as may be applicable.

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## **EXPLANATION OF CERTAIN TERMS APPLICABLE TO HEALTH CARE COVERAGES**

### **Carrier . . .**

any entity through which benefits are paid or coverage is underwritten, such as a Blue Cross plan, or a commercial insurance company.

### **Approved Facility or Treatment Program . . .**

a facility or a treatment program that has met criteria established by the local carrier to provide certain services covered by the GM Insurance Program. The following are examples of facilities or treatment programs which must be approved in order for benefits to be paid

- hospitals
- nursing homes
- outpatient psychiatric care facilities
- substance abuse treatment facilities
- outlets for prosthetic appliances
- free-standing physical therapy facilities
- home care programs

If you are not sure as to the approved status of a facility or treatment program, you may seek advice from the insurance office at the GM location where you or your deceased spouse last worked or request information from your local carrier.



**Copayment . . .**

a part of the charge for services which you must pay. Most health care expenses are paid in full by the appropriate carrier. However, you must pay part of the charge or a "copayment" for certain services such as outpatient psychiatric care, prescription drugs, dental care and vision care.

**Participating Provider . . .**

a person (such as a doctor), or a facility (such as a hospital), that provides health care services. Providers are considered to be "participating" when they have signed an agreement with the carrier to accept as payment in full whatever the carrier determines to be an appropriate charge for services rendered.

You may be uncertain about the participating status, or whether there is any need for participation by any health care provider in your local plan area. If in doubt, contact your local carrier or the insurance office at the GM location where you or your deceased spouse last worked.

**Reasonable and Customary Charge . . .**

an amount determined by the carrier — it is the usual amount charged by providers for a specific service in a geographic area.



## In The Event Of Death

In the event of your death during retirement, benefits may be payable to your survivors under the Insurance Program and under the Retirement Program. Life insurance benefits available under the Insurance Program are discussed below. Information concerning survivor's benefits available under the Retirement Program is discussed on pages 28 and 29. Information concerning Health Care benefits for your survivors is discussed on pages 29 and 30.

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### INSURANCE BENEFITS IN THE EVENT OF DEATH

The benefits available to you and your eligible survivors are those provided under the Insurance Program in effect when you last worked for General Motors.

Set forth below are answers to questions you may have concerning any life insurance benefits that may be payable under the Insurance Program. If you have a specific question about life insurance benefits that is not answered here, you may wish to contact the salaried personnel department at the GM location where you or your deceased spouse last worked.

### BASIC LIFE AND EXTRA ACCIDENT INSURANCE

#### Do I Have Basic Life Insurance Coverage as a Retiree Before Age 65?

Most retirees have basic life and extra accident insurance continued during retirement before age 65 without cost to them. However, retirees who retired voluntarily as early as age 55 and prior to age 60 when combined years of age and credited service totaled less than 85 must contribute \$.50 per month for each \$1,000 of basic life insurance in force until age 65.

Insurance is not continued for a retiree who receives a monthly instalment payment of basic life insurance because of total and permanent disability (as described on page 33).

#### How Much Basic Life Insurance Do I Have as a Retiree Before Age 65?

If you are insured, the amount of your basic life insurance before age 65 is approximately

24 times your monthly base salary at retirement. Extra accident insurance, in an amount equal to one-half of your basic life insurance, also may be payable for accidental death.

#### What Happens to My Basic Life Insurance When I Reach Age 65?

If you are insured and have 10 or more years of participation when you reach age 65, your basic life insurance is reduced and continued without cost to you for your lifetime. At age 65, your extra accident and survivor income benefit insurance, if any, are canceled.

#### How Much Basic Life Insurance Will I Have After Age 65?

Starting at age 65, your basic life insurance is reduced each month by 2% of the amount in force at age 65. This reduction continues until the amount of insurance equals the amount in force at age 65 times 1-1/2% for

<sup>1 1/2</sup>  
~~643~~ each year of participation up to 20 years. If you last worked on or after January 1, 1974, this 20 year maximum is not applicable.

For example, an employee who retired in 1975, with 30 years of participation who had \$24,000 of basic life insurance at age 65, would have \$10,800 of continuing life insurance after all reductions, computed as follows:

$$\$24,000 \times 1-1/2\% \times 30 \text{ years} = \$10,800$$

However, effective January 1, 1979, if you worked for GM after age 65, the amount of each monthly reduction and the amount of your continuing life insurance will depend on your years of participation and your last base salary prior to your retirement.

If you last worked on or after November 22, 1976, the minimum amount of continuing life insurance is \$2,500. If you last worked prior to that date, the minimum amount is \$2,000.

### Will I Be Notified of the Amount of My Basic Life Insurance?

Yes. When you reach age 65 (or following retirement if later) you will be notified what the amount of your continuing life insurance will be after all reductions (as described above) have been made. An additional notice will be sent to you when the final amount of continuing life insurance has been reached. **You should keep these notices with your records.**

### To Whom Is My Basic Life Insurance Payable?

Your basic life insurance, and any extra accident insurance that may be payable, is payable to the latest beneficiary (or beneficiaries) that you have designated, provided the beneficiary (or beneficiaries) is alive at your death. If you are uncertain who your beneficiary is, you may wish to contact the salaried personnel department at the GM location from which you retired.

### May I Change My Beneficiary?

Yes. You may change your beneficiary or beneficiaries at any time. However, if you have assigned your basic life insurance to someone else, only the assignee has the right to designate the beneficiary.

To change a beneficiary, contact the salaried personnel department at the GM location from which you retired.

### What Options Does My Beneficiary Have With Regard to Receiving My Basic Life Insurance When I Die?

Your beneficiary may receive the basic life insurance in one lump sum payment or under any of the optional income plans made available by the Metropolitan Life Insurance Company.

### What Should I Do If My Designated Beneficiary Dies?

You should immediately contact the salaried personnel department at the GM location from which you retired. ***It is important for you to name a new beneficiary if your present beneficiary dies.*** If there is no beneficiary living at the time of your death, your basic life insurance may be paid to your estate or in a manner other than that which you may have desired. This may result in legal and tax problems for your survivors.

### What Should My Beneficiary Do to Receive Life Insurance Benefits When I Die?

Each of your beneficiaries must make a claim on a form provided for this purpose by General Motors. ***To do this, your beneficiary should contact the salaried personnel department at the GM location from which you retired.***

## **SURVIVOR INCOME BENEFIT INSURANCE**

### **In Addition to Basic Life Insurance, Are Any Other Insurance Benefits Available to My Survivors Under the Insurance Program?**

Your survivors may be eligible for certain survivor income benefits if you are insured for survivor income benefit insurance. Optional group life insurance also may be available if you are insured for such coverage (see page 26)

If basic life and extra accident insurance are continued, survivor income benefit insurance also may be continued, depending on when the retiree last worked and when retirement benefits commenced. If survivor income benefit insurance is continued, no contributions beyond any required for basic life and extra accident insurance are necessary.

### **What Is Survivor Income Benefit Insurance?**

Survivor income benefit insurance provides monthly income payments to an eligible survivor following the death of an insured retiree. Two kinds of monthly survivor benefits may be provided, *transition benefits* and *bridge benefits*.

### **What Are Transition Benefits?**

Transition benefits are monthly benefits payable during the 24 month period following your death, if you were insured for survivor income benefits. These monthly benefits may be paid to your eligible spouse, dependent children, or dependent parents, in that order. The monthly amount of the transition benefit depends on when you last worked and whether your survivors are eligible for certain Social Security benefits.

### **What Are Bridge Benefits?**

Bridge benefits are monthly benefits payable to your surviving spouse after payment of the 24th transition benefit. They are payable until the surviving spouse dies, remarries, or attains age 62 or such lower age at which full widow's or widower's insurance benefits or old age insurance benefits become payable under Social Security.

The monthly amount of the bridge benefit depends on when you last worked.

Bridge benefits are not payable for any month for which a surviving spouse could qualify for a mother's or father's insurance benefit under Social Security, whether or not she or he actually receives the mother's or father's benefit.

To receive bridge benefits your surviving spouse must meet age and other eligibility requirements.

### **If Eligible to Receive Survivor Income Benefits Under the Insurance Program, May My Spouse Also Receive Survivor Benefits Under the Retirement Program?**

Not at the same time. However, your surviving spouse may waive any right to receive survivor income benefits in order to receive a higher survivor benefit under Part A of the GM Retirement Program as described on page 28. For example, if the monthly surviving spouse benefit under Part A of the Retirement Program exceeds the monthly amount of the survivor benefit under the Insurance Program, your survivor may wish to waive survivor income benefits to receive the higher retirement benefit. If you have any

questions about how this waiver provision would apply, contact the salaried personnel department at the GM location where you or your deceased spouse last worked

A surviving spouse can receive a benefit under Part B of the Retirement Program while receiving survivor benefits under the Insurance Program

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## OPTIONAL GROUP LIFE INSURANCE

Optional group life insurance provides life insurance in amounts of \$5,000, \$10,000 or \$15,000 or 1, 2, 3, 4 or 5 times annual base salary. Employees who elect to enroll pay the full cost of optional group life insurance.

### May Optional Group Life Insurance Be Continued After Retirement?

Yes. The amount of optional group life insurance for which you were insured at retirement may be continued to age 65 while your basic life insurance remains in force. You must contribute the full cost of optional group life insurance. The salaried personnel department at the GM location from which you retired can advise you of the current contribution rate for your age group. Rates are subject to change.

### May Optional Group Life Insurance Be Continued After Age 65?

Yes. The amount of optional group life insurance in force on your 65th birthday is reduced by 20% at age 66 and by a like amount

each year to age 70. You are required to contribute for the coverage remaining in force. No optional group life insurance is provided after the end of the month in which you attain age 70.

### May the Beneficiary for Optional Group Life Insurance Be Changed After Retirement?

Yes. You have the right to designate your beneficiary (or beneficiaries). The beneficiary need not be the same as the one designated for your basic life insurance. However, if an applicant owner or assignee is the owner of the optional group life insurance on your life, then the applicant owner or assignee has the right to designate the beneficiary.

Additional information concerning optional group life insurance is available in the folder which describes this coverage.

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## DEPENDENT GROUP LIFE INSURANCE

Dependent group life insurance provides up to \$50,000 of life insurance on an employee's spouse and up to \$10,000 on each eligible dependent child. Employees who elect to enroll pay the full cost of dependent group life insurance.

### May I Continue Dependent Group Life Insurance After Retirement?

Yes. You may continue the dependent group life insurance you had in force as an active

employee if you are enrolled for optional group life insurance and have an eligible dependent. You must contribute the full cost of dependent group life insurance. The salaried personnel department at the GM

location from which you retired can advise you of the current contribution rate for your age group. Rates are subject to change.

### **Is There Any Reduction In the Amount of Dependent Group Life Insurance at Age 65?**

No. If optional group life insurance is continued, dependent group life insurance may be continued without reduction to age 70. You must contribute the full cost of dependent group life insurance.

### **May I Change the Beneficiary on My Dependent Group Life Insurance?**

No. You are the beneficiary for dependent group life insurance. Benefits are payable to you in a lump sum if an eligible dependent should die from any cause while you are enrolled for dependent group life insurance.

An eligible dependent includes your spouse, and dependents over 14 days of age who are eligible to be covered for basic Health Care coverages (excluding sponsored dependents).

Additional information concerning dependent group life insurance is available in the folder which describes this coverage.

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### **What If I Change My Address?**

If you should change your address, it is important that you notify the salaried personnel department at the GM location where you or your deceased spouse last worked. If you are receiving extended disability benefits or a monthly instalment payment of your basic life insurance because of total and permanent disability you also should notify:

Metropolitan Life Insurance Company  
General Motors Disability Claims Section  
Group Life Claims Division (8V)  
One Madison Avenue  
New York, New York 10010

Whenever you write to the GM location where you last worked or to Metropolitan Life, you should include your Social Security number and claim number, if any.

### **May I Continue My Personal Accident Insurance After Retirement?**

Yes. Personal accident insurance may be continued on yourself and any eligible dependents for your lifetime, by paying the required premiums. However, after you are age 70, insurance in force on each person insured may not exceed \$50,000. Detailed

information concerning personal accident insurance is contained in the booklet, "Personal Accident Insurance."

### **What Happens to My Basic Life Insurance, Optional and Dependent Group Life Insurance or Personal Accident Insurance If I Fail to Make a Required Contribution?**

If you fail to make a required contribution, your basic life insurance, optional and dependent group life insurance or personal accident insurance will cease at the end of the month preceding the month for which the applicable contribution was due.

### **What Must My Beneficiaries Do to Receive Life Insurance Benefits When I Die?**

*Any beneficiary must make a claim on a form provided for this purpose by General Motors.* The procedure is the same for basic life and extra accident benefits, survivor income benefits, optional and dependent group life benefits and personal accident benefits. To do this, the beneficiary should contact the salaried personnel department at the GM location from which you retired.

## **RETIREMENT PROGRAM BENEFITS IN THE EVENT OF YOUR DEATH**

Following are answers to questions which you may have concerning any survivor benefits that may be payable under the Retirement Program. If you have any additional questions, you may wish to contact the salaried personnel department at the GM location where you or your deceased spouse last worked.

### **In the Event of My Death Are Any Survivor Benefits Payable Under the Retirement Program?**

If you retired on or after January 1, 1962, you may have provided a lifetime benefit for your surviving spouse in the event of your death. The survivor option under Parts A and B of the Program generally became effective at retirement if you then were married. If you did not elect the Part A survivor option, you may have elected the "special" survivor option which is explained on page 29.

### **What Happens to the Part B Contributions When I Die?**

In the event you die prior to receiving the guarantee under Part B of the Program and have not elected a surviving spouse or joint and survivor option under Part B, your designated beneficiary will be paid at least the remaining amount of your contributions plus interest to the date of your death.

### **How Does My Election of a Survivor Option Affect My Benefit?**

Any monthly Part A and Part B retirement benefits are reduced if you have a surviving spouse option in effect. The percent of reduction depends upon the difference in the ages of you and your spouse and your date of retirement.

### **How Much Is the Survivor Benefit Under the Retirement Program?**

The amount of any monthly benefit payable to an eligible surviving spouse generally is based on a percentage of the benefit payable to the retiree. The amount of any monthly

survivor benefit that may be payable is shown on your copy of Forms SRP-117 and SRP-17, Authorizations of Monthly Benefits, which you or your deceased spouse received at the time of retirement. You have been advised of any increases in the amount of the survivor benefits which have occurred since you or your deceased spouse retired.

### **If I Marry for the First Time or Re-Marry After Retirement, Can I Elect a Part A Survivor Option for My New Spouse?**

If you had elected a Part A survivor option for your prior spouse, or were not eligible to elect the option because you were not married when the option would have been effective, you may elect the option for your present spouse. See page 7 for further information.

### **If I Rejected the Survivor Option, Will the Option Be Available to Me at a Later Date?**

No. The surviving spouse option is not available to a retiree who rejects the option while otherwise eligible.

### **If I Retired Before the Age I Could Have a Survivor Option, Will I Be Contacted When Eligible?**

Yes. If you retired prior to attaining the earliest age of eligibility for the survivor option, you will be contacted by General Motors just before the survivor option will become available to you. At that time you must provide proof of your marriage and your spouse's age in order for the option to become effective.

### **Can I Revoke the Part A Survivor Option If My Spouse Dies or We Are Divorced?**

Yes. As indicated on page 7, you must provide GM a copy of the death certificate or certified copy of final court decree of divorce. Revocation of the Part A survivor option is effective the first of the third month following receipt by General Motors of evidence satisfactory to General Motors of your spouse's death or your divorce.

### **What Is a "Special" Survivor Option?**

In 1968 certain retirees who did not have a regular Part A survivor option in effect were given an opportunity to elect a special survivor option to provide survivor benefits for

their designated spouse. This special option, if elected, now provides a lifetime monthly survivor benefit of \$4.50 for each year of the deceased retiree's credited service, reduced if the employee retired early at his or her option.

### **Must My Survivor Apply In Order to Receive Any Survivor Benefits Under the Retirement Program?**

No. If you die while the surviving spouse option is in effect, survivor benefits under the Retirement Program become payable automatically on the first of the month following the month in which you die. However, survivor benefits under Part A of the Retirement Program are not payable for any month for which survivor benefits are payable under the Insurance Program (see page 25).

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## **HEALTH CARE BENEFITS IN THE EVENT OF DEATH**

Set forth below are answers to questions that have been asked concerning Health Care benefits available to your survivors. If you have any additional questions, you may wish to contact the salaried personnel department at the GM location where you or your deceased spouse last worked.

### **Will Health Care Coverages Be Continued for My Survivors When I Die During Retirement?**

When you die during retirement, your surviving spouse will be eligible for continued Health Care coverages (except vision care prior to October 1, 1980). These coverages may be continued for your surviving spouse and your eligible dependent children.

General Motors will continue to pay the full cost of basic coverages and most of the cost of comprehensive medical expense insurance coverage. However, if you retired voluntarily as early as age 55 and prior to age 60 and your combined years of age and credited service totaled less than 85, your surviving spouse will be required to pay the full cost of these coverages.

Coverages will be continued for the lifetime of the surviving spouse of a deceased retiree even if the surviving spouse remarries.

A surviving spouse age 65 or older who is eligible but not enrolled for Medicare Part B coverage is not eligible for GM payment for any Health Care coverages.

### **My Spouse Died While Employed. Am I Eligible for Health Care Coverages?**

If your deceased spouse was eligible to retire voluntarily under the Retirement Program at the time of death, Health Care coverages for you and your eligible dependent children will be continued in the same manner as they would be continued for the survivors of an individual who died during retirement.



If your deceased spouse died as a result of accidental bodily injury sustained on or after September 17, 1979, caused solely by employment with General Motors or was *not* eligible to retire voluntarily at the time of death occurring on or after January 1, 1974, but had elected the surviving spouse option under Part B of the Retirement Program and had at least 10 years of credited service, you and your eligible dependent children are

eligible for continued Health Care coverages (except vision care prior to October 1, 1980). General Motors will continue to pay for basic Health Care coverages and for most of the cost of comprehensive medical expense insurance coverage. However, coverages will cease if you remarry or die. You must be enrolled for Medicare Part B if you are age 65 or older in order for GM to pay for any Health Care coverages.



## **If You Are Disabled**

If you were disabled at the time you retired, you may be receiving extended disability benefits under the Insurance Program. You also may be eligible for a monthly instalment payment of your basic life insurance. If you become disabled after you retire, you will not be eligible to receive extended disability benefits. You may, however, be eligible for a monthly instalment payment of your basic life insurance if you become totally and permanently disabled before age 60 and meet certain other eligibility requirements. The benefits available to you are those provided under the Insurance Program in effect when you last worked for General Motors

If you were retired under the total and permanent disability provisions of the Retirement Program, your retirement benefits are discussed on page 6. If you become disabled after you retire, your type of retirement will not change, but you may have changes in your retirement benefits as discussed on pages 4, 5 and 6

Set forth below are answers to questions concerning extended disability and total and permanent disability benefits that may be payable under the Insurance Program. If you have a specific question about extended disability benefits or a monthly instalment payment of basic life insurance that is not answered here, you may wish to contact the salaried personnel department at the GM location where you last worked.

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### **EXTENDED DISABILITY BENEFITS**

#### **If I Am Receiving Extended Disability Benefits, How Do I Continue to be Eligible?**

You must submit proof of your continuing disability as requested by the Insurance Company

If you last worked on or after January 1, 1968, but before January 1, 1974, you must be totally and continuously disabled so as to be unable to engage in any gainful occupation or employment for which you are reasonably qualified by education, training or experience. If you last worked on or after January 1, 1974, you must be totally and continuously disabled so as to be unable to perform in regular employment at the GM location

where you last worked. In any event, you must not be regularly employed. If you recover or become regularly employed, your benefits will be discontinued.

#### **What Is the Maximum Period Extended Disability Benefits Will Be Payable?**

If you continue to be disabled (as described opposite), monthly extended disability benefits are payable for a period equal to your years of participation under the Insurance Program at the beginning of your disability less the period for which you received sickness and accident benefits. Extended disability benefits generally are not payable beyond age 65. However, effective January 1, 1979, if you become disabled at or after age 63 and

become eligible for extended disability benefits, benefits are payable for up to 12 months, but not beyond age 70

### **How Is the Amount of My Extended Disability Benefit Determined?**

The amount of your monthly extended disability benefit is 60% of your monthly base salary in effect at the time you last worked prior to becoming disabled (50%, if you last worked before January 1, 1974)

Extended disability benefits are reduced by any Part A benefits and Part B supplementary benefits (see pages 3 through 5) for which you are eligible under the Retirement Program and by any benefit for which you are eligible under a GM Pension Plan. In addition, governmental benefits such as workers compensation, certain Social Security benefits or any federal or state lost-time disability benefits are deductible. Increases in your governmental benefits, or any increase in your pension or retirement benefits payable after September 30, 1976, after extended disability benefits commence, will not be deducted. However, if the increase represents an adjustment in the original determination of the amount of such benefit, the increase will be deducted

### **What Effect Does Entitlement to Social Security Have on My Extended Disability Benefits?**

Monthly extended disability benefits are reduced by Social Security disability or old-age insurance benefits to which you may be entitled for the same period. Extended disability benefits are not reduced for receipt of old-age benefits reduced because of the age at which received

### **If I Am Receiving Extended Disability Benefits and I Become Eligible for Social Security Benefits, What Should I Do?**

*You should immediately submit a copy of the notice you receive from Social Security that tells you the amount of benefits and the date you became eligible to:*

Metropolitan Life Insurance Company  
General Motors Disability Claims Section  
Group Life Claims Division (8V)  
One Madison Avenue  
New York, New York 10010

This notice is necessary to avoid an overpayment of extended disability benefits which you would have to repay. Notification also is necessary to provide you with additional benefits if your benefits have been reduced by a presumed amount of Social Security that is greater than the amount of Social Security to which you are actually entitled

### **If a Social Security Award Provides Benefits for a Period for Which I Have Already Received Extended Disability Benefits, What Effect Will This Have on My Extended Disability Benefits?**

*If extended disability benefits have been overpaid, you will be required to repay the Metropolitan Life Insurance Company.* Any overpayment may be recovered by reducing your future monthly extended disability benefits or by your direct payment to Metropolitan. You will be notified of the amount to be repaid

If extended disability benefits have been reduced by a presumed amount of Social Security and the amount of Social Security you actually received is less than the amount deducted, you will receive an additional amount from Metropolitan

## **MONTHLY INSTALMENT PAYMENTS OF BASIC LIFE INSURANCE BECAUSE OF TOTAL DISABILITY**

### **If I Should Become Totally and Permanently Disabled After Retirement, Will I Be Eligible for Any Other Benefits Under the Insurance Program?**

If you are insured for basic life insurance (as described on page 23), you may be eligible to receive a monthly instalment payment of your basic life insurance if you become totally and permanently disabled before age 60 and meet certain other eligibility requirements

To be eligible for a monthly instalment payment of your basic life insurance you must have last worked:

- prior to January 1, 1974 and have 10 or more years of participation when you become totally and permanently disabled, or
- on or after January 1, 1974 and have less than 10 years of participation when you become totally and permanently disabled.

### **How Do I Apply for a Monthly Instalment Payment of Basic Life Insurance If I Become Totally and Permanently Disabled Before Age 60?**

*You should make a claim immediately on a form provided for this purpose by General Motors.* Claim forms are available at the GM location from which you retired. You also must submit proof of your disability as requested by the Insurance Company. If you need help in completing a claim form, contact the salaried personnel department at the GM unit from which you retired.

### **If I Am Eligible for a Monthly Instalment Payment of My Basic Life Insurance, How Will It Be Paid?**

If you apply and are eligible for a monthly instalment payment of basic life insurance (as

described previously), your basic life insurance will be canceled. An amount equal to the amount of basic life insurance you had in force when you became disabled, but not in excess of \$100,000, will be paid. If you last worked on or after January 1, 1974, such payment will be made in monthly instalments in an amount equal to the final monthly extended disability benefit amount payable. If you last worked prior to January 1, 1974, such payment will be made in 50 monthly instalments at a monthly rate of \$20 for each \$1,000 of basic life insurance.

### **When Will the Monthly Instalment Payment of My Life Insurance Start?**

Generally, the monthly instalment payment of basic life insurance to which you may be entitled because of total and permanent disability commences as soon as the Metropolitan Life Insurance Company approves your claim. The monthly instalment payment of life insurance will be deferred until extended disability benefits are no longer payable, unless you permanently waive your right to receive extended disability benefits.

### **If I Have Received or Am Receiving a Monthly Instalment Payment of My Basic Life Insurance, Will Any Further Benefit Be Payable to My Beneficiary When I Die?**

Yes. If you receive an amount equal to your life insurance in instalments, a benefit of \$500 will be payable to your beneficiary at the time of your death. If you die before receiving all of the instalments, your beneficiary would receive the unpaid balance but in no case less than \$500.

**If I Am or Become Totally and Permanently Disabled but I Am Not Eligible for a Monthly Instalment Payment of My Basic Life Insurance Under the Eligibility Requirements, What Happens to My Basic Life Insurance?**

If you are or become totally and permanently disabled but you are not eligible for the monthly instalment payment of your basic life insurance, any basic life insurance for which you are insured will be continued without cost to you to age 65. At age 65, your life insurance will start reducing as explained on pages 23 and 24.

**If the Insurance Company Questions Whether I Continue To Be Disabled for Extended Disability Benefits or a Monthly Instalment Payment of My Basic Life Insurance, What Must I Do?**

You may be asked to be examined by a doctor, clinic, or other medical authority for the purpose of verifying disability at any time you may be eligible to receive extended disability benefits or a monthly instalment payment of basic life insurance. Generally, if you are found to be able to work, your benefits will be discontinued. Failure to report for the examination may affect your eligibility for benefits. You will be reimbursed at 17¢ per

mile for travel to and from the examination if your residence is 40 or more miles (one-way) from the examiner's office.

**If I Am Eligible for a Monthly Instalment Payment of My Basic Life Insurance Because of Total and Permanent Disability, but the Amount of My Basic Life Insurance Exceeds \$100,000, What Happens to the Amount Over \$100,000?**

If you last worked on or after January 1, 1974, the amount of your basic life insurance in excess of \$100,000 will be canceled immediately prior to the commencement of the monthly payments and you will be entitled to convert at your expense all or part of the excess amount to an individual policy during the 31 days following cancellation of your insurance coverage. If you decide to convert such insurance, any type of life insurance policy, except term insurance, then being issued by the Metropolitan Life Insurance Company may be selected. Application may be made at any local office of the Metropolitan Life Insurance Company or at its home office, One Madison Avenue, New York, New York 10010.

If you last worked prior to January 1, 1974, the amount of your basic life insurance in excess of \$100,000 will be continued subject to reductions when you reach age 65 as described on pages 23 and 24.

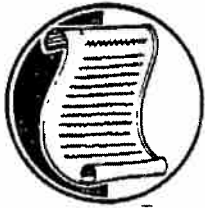
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**What If I Change My Address?**

If you change your address, you should notify the GM location where you or your deceased spouse last worked. If you are receiving extended disability benefits or a monthly instalment payment of your basic life insurance because of total and permanent disability, you also should notify:

Metropolitan Life Insurance Company  
General Motors Disability Claims Section  
Group Life Claims Division (8V)  
One Madison Avenue  
New York, New York 10010

Whenever you write to the GM location where you or your deceased spouse last worked or to Metropolitan Life, you should include your Social Security number and your claim number, if any.



## **Information Related To The Employee Retirement Income Security Act Of 1974 (ERISA)**

### **What Are the Types of Plans Under Which Benefits Are Provided?**

The GM Retirement Program is a defined benefit plan providing trustee and insured retirement benefits to employees who retire, and to their eligible survivors. The GM Insurance Program is an insured welfare benefit plan providing life and disability insurance to retirees, as well as Health Care coverages to retirees and their eligible dependents.

Payment of retirement trustee benefits is provided through the National Bank of Detroit. All life and disability insurance and Retirement Program insured benefits, as well as basic Health Care coverages for certain retirees, are provided through the Metropolitan Life Insurance Company. Health Care coverages for other retirees are provided through additional insurance companies, a number of local plans providing these coverages, and health maintenance organizations. General Motors is responsible for administration of the plans described herein.

### **Who Pays for My Benefits?**

General Motors pays the full cost of Part A of the Retirement Program. General Motors also pays the full cost of any basic life insurance continued in retirement (except as noted on page 23). In addition, General Motors contributes most of the cost of Part B of the Retirement Program and the Comprehensive Medical Expense Insurance Program.

Moreover, General Motors pays the full cost of any basic Health Care coverages that are continued for most retired employees and for eligible surviving spouses and their eligible dependents. A surviving spouse age 65 or older who is eligible but not enrolled for Part B Medicare coverage is not eligible for General Motors payment for any Health Care

coverages. Retired employees pay the full cost of Health Care coverages for sponsored dependents. The cost is determined by the applicable carrier.

Other coverages made available by General Motors, the full costs of which are borne by retirees, are optional group life insurance, dependent group life insurance, and personal accident insurance.

### **When Does the Plan Year End?**

December 31 is the end of the plan year for the Insurance Program. Records of this plan are kept on a calendar year basis. The Retirement Program plan year ends on September 30. Retirement Program records are kept on a fiscal year basis ending September 30.

### **Who Is the Named Fiduciary?**

The Finance Committee of General Motors Corporation is the named fiduciary of the plans described in this booklet.

### **Who Is the Administrator?**

General Motors Corporation is the sponsoring employer and administrator of the benefit plans described in this booklet. The administrator's address is Room 13-266, General Motors Building, Detroit, Michigan 48202.

### **What Are the Identification Numbers?**

General Motors' employer identification number is 38-0572515. The Retirement Program identification number is 001. The Insurance Program identification number is 501. The Comprehensive Medical Expense Insurance Program identification number is 504.

### **What About Serving of Legal Process?**

Service of legal process on General Motors Corporation may be made at any office of the CT Corporation. The CT Corporation, which maintains offices in all 50 States, is the statutory agent for service of legal process on GM. The procedure for making such service generally is known to practicing attorneys. Service of legal process also may be made upon the administrator at Room 15-253, General Motors Building, Detroit, Michigan 48202.

persons who are responsible for the operation of employee benefit plans. These persons are referred to as "fiduciaries" in the law. Fiduciaries have a duty to operate benefit plans prudently and in the interest of you and other plan participants and beneficiaries.

If your claim for a benefit is denied in whole or in part you will receive a written explanation of the reason for the denial. You have the right to a review and reconsideration of your claim.

### **What Are My Rights as a Participant?**

As a participant in General Motors' benefit plans you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled by law to:

Examine, without charge, at the plan administrator's office and at other locations, all plan documents, including insurance contracts, collective bargaining agreements and copies of all documents filed by the plan administrator with the U.S. Department of Labor, such as annual reports and plan descriptions.

Obtain copies of all plan documents and other plan information upon written request to the plan administrator. The administrator may make a reasonable charge for the copies.

Receive a summary of the plan's annual financial report.

If you request materials and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$100 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court.

If you should file suit for any reason, the court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

### **What Are the Fiduciaries' Responsibilities?**

In addition to creating rights for plan participants, ERISA imposes duties upon the

If you have any questions about this statement or about your rights under ERISA, you may wish to contact the nearest Area Office of the U.S. Labor-Management Services Administration, Department of Labor.

### **Who Are the Trustees?**

Trustees of the Retirement Program, who accumulate assets through which trustee retirement benefits (Part A and Part B supplementary) are provided, are as follows

American National Bank &  
Trust Company of Chicago  
33 LaSalle Street  
Chicago, Illinois 60690

Ameritrust  
900 Euclid Avenue  
Cleveland, Ohio 44101

Bank of America, N T & S A  
Bank of America Center Box 37000  
San Francisco, California 94137

Bankers Trust Company  
280 Park Avenue  
New York, New York 10017

Chase Manhattan Bank, N A  
1211 Avenue of the Americas  
New York, New York 10036

Citibank  
153 East 53rd Street  
New York, New York 10022

Harris Trust & Savings Bank  
111 West Monroe Street  
Chicago, Illinois 60690

Mellon Bank, N A  
Mellon Square  
Pittsburgh, Pennsylvania 15230

Morgan Guaranty Trust Company of N Y  
9 West 57th Street  
New York, New York 10019

National Bank of Detroit  
611 Woodward Avenue  
Detroit, Michigan 48232

The First National Bank of Boston  
PO Box 1882  
Boston, Massachusetts 02105

The First National Bank of Chicago  
One First National Plaza  
Chicago, Illinois 60670

Wells Fargo Bank, N A  
PO Box 44029  
San Francisco, California 94144

Insured retirement benefits (Part B primary) are provided  
through the following insurance companies

Aetna Life Insurance Company  
151 Farmington Avenue  
Hartford, Connecticut 06115

Metropolitan Life Insurance Company  
One Madison Avenue  
New York, New York 10010

Prudential Life Insurance Company  
Prudential Plaza  
Newark, New Jersey 07101

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### **What Benefits Are Guaranteed?**

Certain benefits under the GM Retirement Program are guaranteed by the Pension Benefit Guaranty Corporation (PBGC) if the plan terminates. However, the PBGC guarantees only normal-age retirement benefits, early retirement benefits (up to the amount accrued for normal retirement), and certain disability and survivor's pensions.

The PBGC guarantees vested benefits at the level in effect on the date of plan termination.

However, if benefits have been increased within five years before plan termination, the benefit increases may not be guaranteed. No benefit increase that has been in effect for less than 12 full months before the plan terminates is guaranteed. Moreover, there is a statutory ceiling on the amount of an



individual's monthly benefit that PBGC guarantees. You may wish to address any inquiries you may have to The Pension Benefit Guaranty Corporation, 2020 K Street, N.W., Washington, D.C. 20006 (phone # (202) 254-4817).

### **What If My Application for Benefits Is Denied?**

If your application for benefits is denied in whole or in part, written notice will be made to you as soon as practicable, but no later than 90 days after receipt of your application. This notice will include specific reasons for the denial and will refer to the plan provisions upon which the denial is based. The notice also will include a description of any additional information that may be needed if the claim is to be resubmitted.

An explanation of the procedure by which you may have your denied claim reviewed

also will be included in the notice. The review procedure is summarized below.

### **Claim Review Procedure**

Within 60 days after you receive the notice that your claim is denied in whole or in part, you may make a written request to have your claim reviewed. As part of the review you may submit any written comments that you feel may support your claim. You also may review pertinent documents related to your claim. A written decision on your request for review will be furnished to you within 60 days (120 days if special circumstances require an extension of time) after your written request for review is received. This written decision on the review will include the specific reasons for the decision and will set forth specific reference to plan provisions upon which the decision is based.



## Before You Purchase A New GM Vehicle

As a salaried retiree, or the surviving spouse of a salaried retiree or employee, you are eligible to purchase new GM vehicles under the Maximum Product Discount Plan

Answers to the most commonly asked questions concerning this program are set forth below. If you do not find an answer to your specific question or if you wish to secure the required application form, you should contact the product discount coordinator in the salaried personnel department at the GM location where you or your deceased spouse last worked.

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### What Are the General Eligibility Rules for the Maximum Product Discount Plan?

- In order to be eligible to purchase a new GM vehicle under the Maximum Product Discount Plan, you must be retired under the provisions of the Salaried Retirement Program or be the surviving spouse of a salaried employee or salaried retiree. Separated employees who are receiving deferred vested benefits under the Retirement Program are not eligible. Surviving spouses who have remarried also are not eligible.
- You must take delivery of your new vehicle through a franchised GM dealer.
- *You are certified as eligible for a product discount when ordering a vehicle through the GM location where you or your deceased spouse last worked. Application forms for new vehicles must be secured from the product discount coordinator in the salaried personnel department at the GM location where you or your deceased spouse last worked.*
- You must retain any vehicle purchased under the plan at least until the end of that vehicle's model year production run (August 1 of each year), but in no case less than six months from the date of delivery.
- In order to be eligible for a discount, all vehicles purchased must be for the personal use of the retiree, or surviving

spouse, children of the retiree or surviving spouse who are under 21 years of age or who are full time students, or the retiree's spouse. Title must be in the name of one of these individuals.

- The Maximum Product Discount Plan does not apply to leased vehicles, demonstrators, or used vehicles.
- A retiree may utilize the Maximum Product Discount Plan for the purchase of more than one vehicle in a model year. A surviving spouse may utilize the Plan for the purchase of one vehicle in a model year.
- The privilege to obtain a discount under the Maximum Product Discount Plan can be withdrawn in instances where the participant has violated the conditions of the Plan. In such cases, the participant first will be contacted individually and asked to explain the circumstances involved.
- General Motors may unilaterally modify, change or withdraw this Plan at any time.

### What Vehicles Are Eligible for Purchase Under the Maximum Product Discount Plan?

All new cars, light duty trucks and vans may be purchased under the Plan.

### **How Do I Use the Maximum Product Discount Plan To Purchase a New Vehicle?**

To purchase a new vehicle under the Maximum Product Discount Plan you must

- Obtain an order form from the product discount coordinator in the salaried personnel department at the GM location where you or your deceased spouse last worked *Under this Plan you normally cannot order your vehicle through a GM dealer.* From time to time, however, General Motors extends to retirees and surviving spouses the opportunity of purchasing specified new vehicles directly from dealer stock if the dealer approves. Since this opportunity is not in effect at all times, you should contact the product discount coordinator before you consider purchasing a vehicle directly from a dealer.
- Complete the order form (you may want to visit a GM dealership for assistance in

selecting the appropriate model, options and accessories)

- Return the order form directly to the product discount coordinator in the salaried personnel department. The coordinator then will forward the form to the applicable car or truck division and you will receive delivery of your new car, truck or van through your local dealer at the maximum product discount price

### **What Is the Discount Price for a Vehicle?**

The amount of discount varies from vehicle to vehicle depending upon the model and options selected. The product discount coordinator in the salaried personnel department can provide you with the amount applicable to the vehicle you desire to purchase.



"B"

## YOUR PERSONAL FACT SHEET

### 2008 ANNUAL ENROLLMENT

4 GM H 501B ENV# GM10108770001001381

GEORGE W. MC CLAIN  
3022 IMPERIAL VALLEY DR  
LITTLE ROCK, AR 72212

- Review your benefit elections and dependent information in this **PERSONAL FACT SHEET** carefully.
  - To make changes to your benefit elections for 2008, follow the **ENROLLMENT INSTRUCTIONS** on the next page.
  - If you do not make changes during the enrollment period, this **PERSONAL FACT SHEET** will serve as your confirmation statement.
- Enrollment Period: October 30–November 16, 2007**

Dear GEORGE W. MC CLAIN

This **PERSONAL FACT SHEET** shows your 2008 benefit elections and the contribution amounts for each option. Remember, if you do not make any changes during the enrollment period, this **PERSONAL FACT SHEET** will serve as your confirmation statement.

Each year you have the opportunity to review and change certain benefit elections based on your current needs. At the close of this enrollment period, you cannot change your 2008 benefit elections, except in the case of a qualified life event change.

In addition to your **PERSONAL FACT SHEET**, the enclosed newsletter highlights changes for 2008. Please review these materials carefully when making your benefit enrollment decisions. Additionally, a detailed Health Care Resource Guide is available for review online in the **Reference Library** by clicking the **Enroll Now** icon on [gmbenefits.com](http://gmbenefits.com), or by calling the GM Benefits & Services Center at 1-800-489-4646. The number for the TTY Service for the Hearing or Speech Impaired is 1-877-347-5225.

**Your current medical option will no longer be available to you. Unless you elect to enroll in a new medical plan during this enrollment period, you will be defaulted into Enhanced PPO (BCBS-US-RS) as shown below.**

#### YOUR CURRENT ELECTIONS WITH 2008 CONTRIBUTION AMOUNTS

*This statement reflects your personal information as of September 25, 2007.*

Plan	Option	Family Status/Coverage Volume	Your 2008 Monthly Contribution After-Tax
Medical	Enhanced PPO (BCBS-US-RS)	Self + Spouse/ Domestic Partner	\$121.00
Extended Care Coverage (ECC)	Extended Care Coverage	Self + Spouse/ Domestic Partner	\$14.00
Dental	Traditional Delta Dental (RS)	Self + Spouse/ Domestic Partner	\$15.00
Vision	Cole Managed Vision (S)	Self + Spouse/ Domestic Partner	\$2.00
Basic Life Insurance	2 X Annual Base Salary	\$64,750	\$0.00
Supplemental Group Life Insurance		\$150,000	\$0.00
Personal Accident Insurance — Employee		\$50,000	\$0.75
Personal Accident Insurance — Spouse		\$10,000	\$0.15
Personal Umbrella Liability Insurance		\$2,000,000	\$0.00
<b>TOTAL MONTHLY CONTRIBUTIONS</b>			<b>\$152.90</b>

**Note.** The (S) or (RS) after a benefit option is used for administrative purposes only.

**Note:** If applicable, you may decrease or cancel your contributory life insurance coverages, however, you may not increase your coverage or enroll in new coverage.

July 2008

Dear Salaried Retiree or Surviving Spouse

Since the first of this year, U.S. market and economic conditions have become significantly more difficult. These conditions, along with the rapid change in automotive industry sales mix, require us to take further actions that will position GM for sustainable profitability and growth. As a result, GM is announcing a change to the *General Motors Salaried Health Care Program*.

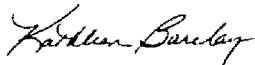
Effective January 1, 2009, GM is canceling health care coverage for salaried retirees and their dependents age 65 or older. Instead, eligible salaried retirees and surviving spouses over age 65 will receive a monthly pension increase of \$300. This pension increase is designed to help offset some of your health care costs in retirement.

Eligible salaried retirees, surviving spouses and their dependents, who are pre-age 65, may continue to participate in the *General Motors Salaried Health Care Program* until they turn age 65. This Program remains subject to the Salaried Retiree Health Care Cap that became effective January 1, 2007.

You will receive additional information about the change to the *General Motors Salaried Health Care Program* in the months ahead. In addition, beginning in October, GM will contract with a company called Extend Health to help you learn more about individual Medicare health care plans such as Medigap or Medicare Advantage that are available in the marketplace. Attached is a list of questions and answers to help clarify the changes. We recognize that this change will require more of your personal attention in managing your health care in retirement. Extend Health will support your needs during this time by helping you to enroll in a new health care plan.

This is a very difficult decision for the Company to make; however, it is necessary to take this action given today's economic conditions. As hard as this action is, we are doing what is necessary to position GM for future success. We ask for your understanding and continued support.

Sincerely,



Kathleen S. Barclay  
Vice President  
Global Human Resources

3.GM-H-808A 100



APS2080708880  
00015727

PLEASE COMPLETE THE FOLLOWING

**BALLOT #5395**

**ITEM 1 Amount of General Unsecured Claim.** For purposes of voting to accept or reject the Plan, the undersigned holds a General Unsecured Claim against the Debtor listed below in the amount set forth below

Claim Amount	\$247,847.00
Debtor	MOTORS LIQUIDATION COMPANY

**ITEM 2 Vote on the Plan.** The undersigned holder of a Class 3 General Unsecured Claim in the amount set forth in Item 1 above hereby votes to

Check one box



Accept the Plan

02-10-11 A09 51 IN



Reject the Plan

**ITEM 3 Acknowledgement and Certification.** By signing this Ballot, the undersigned acknowledges that the undersigned has been provided with a copy of the Disclosure Statement, including all exhibits thereto. The undersigned certifies that (i) it is the holder of the General Unsecured Claim identified in Item 1 above and (ii) it has full power and authority to vote to accept or reject the Plan. The undersigned further acknowledges that the Debtors' solicitation of votes is subject to all terms and conditions set forth in the Disclosure Statement and the order of the Bankruptcy Court approving the Disclosure Statement and the procedures for the solicitation of votes to accept or reject the Plan contained therein.

Print or Type Name of Claimant

George W. McClain

Social Security or Federal Tax ID No. of Claimant

440-14-4781

Signature

George W. McClain

Name of Signatory (if different than claimant)

\_\_\_\_\_

If by Authorized Agent, Title of Agent

\_\_\_\_\_

Street Address

3022 Imperial Valley Dr.

City, State, and Zip Code

Little Rock, AR 72212

Telephone Number

501-225-4295

E-mail Address

G.M.I.N.C.25bcglobal.net

Date Completed

2-7-2011



Please check one or both of the below boxes, if the above address is a change of address for the purpose(s) of

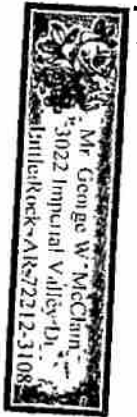
☐ future notice mailings, **AND/OR** ☐ distributions



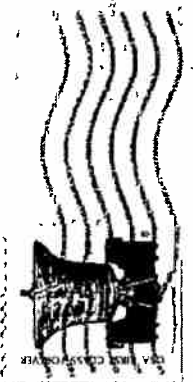
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GEORGE W MCCLAIN  
3022 IMPERIAL VALLEY DRIVE  
LITTLE ROCK, AR 72212-3108

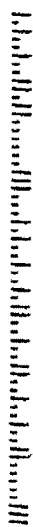


LITTLE ROCK AR 722  
07 FEB 2011 PM 1 T



Attn: Motor Legislation Co.  
Balloting Center

4301744286



The Charleston City Shays Inc.  
PO Box 9386  
Dublin, OH 43017-4286





**Exhibit 5**

Hearing Date and Time March 1, 2011 at 9:45 a.m. (Eastern Time)

George W. McClain  
3022 Imperial Valley Dr  
Little Rock, Arkansas 72212

Phone: 501-225-7295  
e-mail: GMINC@sbcglobal.net

Retired salaried employe of General Motors  
with unsecured claim for life insurance benefits  
Claim No. 21851 Page 6 Exhibit A, Debtors' 185th Omnibus Objection to Claims

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re	:	Chapter 11 Case No.
	:	
MOTORS LIQUIDATION COMPANY, et al.,	:	09-50026
f/k/a General Motors Corp., et al.	:	
	:	
Debtors.	:	

Response to the NOTICE OF DEBTORS' 185th OMNIBUS OBJECTION TO CLAIMS  
dated January 26, 2011.

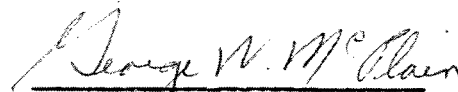
The Notice of Debtors' 185th Omnibus Objection to Claims makes a major error in requiring that a 3.5 inch disc be used in filing a response. Such a disc is unavailable and according to the manager of the Office Depot store is even unavailable to be ordered. This makes it impossible to file a response as specified is required.

A second major error in the Notice is citing General Order M-242 which is the incorrect General Order.

I respectfully request the Court to reject the Debtors' request that my claim be disallowed.

I also urge the Court to reject the Debtors' Notice in its entirety because of two major errors.

Dated: Little Rock, Arkansas  
February 11, 2011

  
George W. McClain